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Testimony Before the Public Health Committee
Re: Senate Bill 1 – An Act Increasing Access to Affordable, Quality Health Care
Submitted by Maggie Adair, Public Policy Director
Connecticut Association for Human Services
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Good morning Senator Handley, Representative Sayers, and members of the Public Health Committee. My name is Maggie Adair; I am Public Policy Director at the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit organization that works to reduce poverty and strengthen families and communities through advocacy supported by outreach, research, and public education.

I am here to testify in support of the purpose of Proposed Senate Bill No. 1, An Act Increasing Access to Affordable, Quality Health Care. Health care should be a public right for every Connecticut resident. Given Connecticut's wealth, capacity, and relatively small size, this state should and can provide access to affordable, quality health care to all people. Instead of lagging behind, Connecticut should be at the forefront in thinking through and implementing a health care model for the nation to follow.

Proposals to address Connecticut's health care system have recently been unveiled by the Governor, the Connecticut Health Insurance Policy Council, and the Senate President. Clearly, Connecticut's leaders recognize that the current system is broken. This is a good start. While each of the proposals employ different strategies, they open up a path for constructive dialogue from stakeholders: the governor, legislature, medical community, business community, insurance industry, and residents.

Senator Williams' Connecticut Health First Initiative would expand the state's Medicaid and HUSKY programs to include 140,000 (40 percent) of the 350,000 uninsured individuals in the state and increase reimbursement rates to achieve greater participation by health care providers. It is encouraging that the Connecticut Health First Initiative talks about a "Medicare-for-all" type of health care system, and proposes that a panel be formed to examine policy options and bring recommendations to the General Assembly.

We applaud the Senate President for turning his immediate attention to fixing a fragile Medicaid system and expanding coverage to Connecticut's low-income residents. However, Connecticut needs a strategic vision that looks at the whole puzzle and engages all stakeholders to produce a health care system that is inclusive, continuous and portable, affordable, accessible, and high quality. And we need it now.

Health Insurance Needs of Low-Wage Working Families

In particular, we are concerned about the number of individuals and families who work every day and are in the income category just beyond the HUSKY eligibility cut off. Parents with income over 185 percent of the federal poverty level, those earning between \$30,000 and \$40,000, are barely hanging on economically and medically. Many work in environments where health insurance is not offered, and they cannot afford to pay for it on their own. Families with limited financial resources and no health care are at risk of falling into bad health and financial ruin.

Health Insurance and Small Business

For several years now, we have been hearing from many quarters about Connecticut's stalled economy. Business owners across the state are talking about changes in the workforce that are affecting their ability to hire and maintain a viable pool of workers. The problems that employers face are larger than the issue of affordable, accessible health care. But health insurance is one very large piece of the puzzle that needs to be addressed to keep business in the state and maintain adequate income levels among our workforce.

Last January, CAHS released the Working Poor Families report, *Sowing Prosperity: Low-Income Working Families and Connecticut's Economic Future*. That report highlighted the economic development, education and training, and work support policies and programs that impact low-wage workers. Changes in the state's jobs, labor force, and benefits packages are widely known. The impact of these changes on workers and employers is also common knowledge. But Connecticut is slow to create policies and programs that support the smallest employers and lowest paid employees.

Microenterprise, defined as locally owned businesses with fewer than five employees and started with less than \$50,000 in capital, makes up 53 percent of business in Connecticut. The microenterprise Resource Group estimates that more than 277,000 microenterprises conduct business in the state, employing two out of five workers. These small businesses can be found across the spectrum of the economy, from mom and pop stores to traveling computer repair people.

Microenterprise generates an estimated \$15 billion in sales and \$430 million in state tax revenue. In 2004, it employed twice as many people as the top 25 employers in the state combined - slightly less than 500,000 compared to 250,000 employed by the largest 25 employers.

This sector and that which includes slightly larger employers (those with fewer than 20 employees) made up approximately 86 percent of business in the state in 2004, according to the Connecticut Office of Health Care Access. Of these, 39 percent offer no employer-sponsored health insurance, and 49 percent cover for the employee only (i.e., no dependent coverage). Employers who do not offer health insurance typically cite the high cost of premiums as their primary barrier.

Long-Term Planning for Health Care Reform

Creating a wholistic and sustainable health care system poses daunting challenges and will require creative minds and political will. We urge the Committee to put a quick time line on the work of the health care panel called for by the Connecticut Health First Initiative. We owe it to our citizens, our economy, and our state. Let's be the first in the nation to provide real health care for all.

We congratulate the committee for stepping forward with this bill, and we urge you to quicken the pace and widen the net of support. Thank you for the opportunity to speak to you today.