

Testimony of Tom Swan, Exec Director CCAG
Public Health Committee
January 31, 2007

I want to applaud the committee for holding Monday's hearing and for raising SB 1. My name is Tom Swan and I am the Executive Director of the CT. Citizen Action Group and I am testifying today on behalf of the over 30,000 member families that want you to act now to provide their families with health security. CCAG supports Senator Williams call for the creation of a Medicare for All health program; however, we believe that you need to act this session.

Health care costs have more than doubled since real health care reform was considered just over a decade ago.ⁱ One fifth of all Americans live in families that spent more than 10% of their income on health care in 2003 and this was true for both low income (23.7%) and middle income families (22.7%).ⁱⁱ Since 2000, employment based health insurance premiums has increased 87% compared to cumulative inflation of 18% and wage growth of 20%.ⁱⁱⁱ During this same period workers on average are paying over 140% more for their premium contribution and 115% more for out of pocket expenses.^{iv}

While health care spending now takes up 16% of the Gross Domestic Product in the US (compared to 10.7% in Germany, 9.7% in Canada, and 9.5% in France – nearly 2x as much per person), we remain the only industrialized country without universal health care.^v Not only are we THE ONLY country without universal coverage we have seen the ranks of the uninsured to grow to over 47 million and Connecticut is tied with Vermont for the highest rate of uninsured in New England.

The only reason to explain the crazy system that we have today is the influence that is wielded by health care profiteers who benefit from our lack of a real health care system. Currently health care interests are responsible for over 15% of lobbying expenditures at the federal level and contributed over \$72.3 million to federal candidates in 2006.^{vi}

These profiteers, particularly insurers and pharmaceutical companies, are now trying to push solutions that shift more of the costs and risks onto consumers. Efforts to weaken consumer protections under the guise of mandates or to try blame rising costs on medical malpractice costs that will not fix the health care crisis. Health Savings Accounts and President Bush's tax schemes will do more harm than good as we look to implement real reform.

Insurers are currently spending less of every dollar they take in on medical care than ever before while their profits increase.^{vii} Meanwhile, we are spending 31% of every health care dollar on administrative costs in the private market^{viii} versus less than 5% in traditional Medicare.

A Medicare for All program will be able to streamline administrative costs resulting in real savings while ensuring health security for all of our families even when we change jobs, protecting our ability to choose providers, and guaranteeing comprehensive benefits. Thank you and we look forward to working with you to implement real reform this session.

ⁱ Washington Post 1/10/06 – Center For Medicare and Medicaid Services

ⁱⁱ JAMA Dec 13, 2006

ⁱⁱⁱ Henry J Kaiser Foundation Employee Health Benefit; 2006 Survey

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^v OECD NY Times “Health Care Spending Reaches All Time High 1/9/04

^{vi} Modern Healthcare 12/18/06

^{vii} AMEDNEWS 3/6/06

^{viii} New England Journal of Medicine August 2003