



Testimony from Sal Luciano regarding Raised Bill No.s 6678, 7314 and 7320

AFSCME is in favor of all three. Regarding 6678, this bill is telling insurance companies that getting twelve and one half cents on the dollar is more than enough profit. Unfortunately, it is NOT uncommon for them to get 25 cents or more profit on the dollar.

On 7314:

Health care is a human right and the US said so when it signed on to join the United Nations. Yet the US is alone of all the industrialized nations in the UN, which have not kept this promise.

As we speak, there are over 400 thousand Connecticut residents that are uninsured. These citizens are consumer driven. Since they can not afford Health care, they access Health Care only when they are in crisis through the Public Hospital Emergency Room.

This kind of care is extremely expensive and wasteful. It drives up costs for the employer providing Health Care and the employees who continue to see rising co-payments and cost shifting. It also costs the state money as they pay into this system. If this were not bad enough, it is clogging our emergency rooms so that they could never handle the mildest pandemic or local crisis.

Labor's vision is to have a single payer health care delivery system. A single payer system would not only meet the needs of labor. It would also help employers who want to provide good health care to their employees but believe they can't afford it and stay competitive in the marketplace.

On Bill 7320: It has flaws which can and must be fixed but it is a good step in the right direction.

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In fact, it follows the goals we attempted to achieve through the Mega-MEHIP plan Nancy Wyman and our coalition just put out to bid. Both accomplish six important goals:

- 1) It provides a potential pool of over a hundred thousand lives, which would reduce the costs by spreading risk over a huge population
- 2) It reduces administrative costs by providing consistent plan design under one umbrella.
- 3) It obviates broker fees.
- 4) The plan design rewards employees that seek preventive care. This preventative model alone is significant because this will reduce costs over time. No one argues that preventive care costs pennies compared to dealing with a Health Care crisis.
- 5) The huge pool would enhance the bargaining power to lower pharmaceutical costs. Drug usage by consumers of health care has tripled since pharmaceutical companies have been advertising on TV in 1997. With drug costs soaring even faster than health care insurance, this will provide additional savings.
- 6) The reduced costs will benefit municipalities stretched by rising property taxes and employees faced with growing cost shifting and co-payments.

With some tweaking, this plan could also be used to lower the costs non-profits organizations currently pay for employee health care and pharmaceutical plans and in some cases, make health care reachable for some non-profit organizations that currently provide no insurance to their employees.

This proposed administratively streamlined, preventive care based giant pool is a good step. It is bold and is a bridge to the future, where Health Care for all must happen.