



GrowJobsCT

MANUFACTURING MAKES CT'S FUTURE

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Testimony of GrowJobsCT Health Initiative
Regarding Proposed S. B. No. 1

An Act Increasing Access to Affordable, Quality Health Care

Public Health Committee
January 31, 2007

Senator Mary Ann Handley and Representative Peggy Sayers, and members of the Committee, my name is Laurie Julian with GrowJobsCT Health Initiative. GrowJobsCT Health Initiative supports Senate Bill No. 1, and recommends that any state plan address the rising costs of health care insurance in order for Connecticut to economically compete.

GrowJobsCT is a unique coalition, uniting business, labor and community interests, as well as elected representatives to work on sustaining manufacturing jobs in Connecticut. The manufacturing industry employs over 193,000 workers and each manufacturing job creates 1-5 other jobs. 92% of Connecticut's manufacturers employ less than 100 workers.

We see health care as a JOBS issue. Rising health care costs is the number # 1 concern for small and medium businesses and a major impediment to job growth. Health care and jobs are inextricably linked and a determining factor in business decisions whether to hire, relocate or close manufacturing facilities. Since 1995 health benefit costs have more than doubled and are expected to increase another 10% or more annually.

Despite the spiraling cost of health benefits, 82% of manufacturers provide health benefits and find it necessary to attract a qualified workforce. Unfortunately, these uncontained costs strain employers who compete globally. In countries with a universal health system, health costs are not factored into production costs. For example, health care costs add about \$1,000 to the price of each car manufactured by US automakers.

Two approaches in the report *Health Coverage in Connecticut: Three Routes to Reform*, prepared by Stan Dorn and Jack Meyer of the Economic and Social Research Institute, indicate that under a Single Payer Health Plan or a State Pool with Competing Private Plans, health insurance costs would decrease, and have a

positive impact on the state economy, increasing employment by 2,000 to 11,000 jobs, while expanding coverage.

In closing, we commend policymakers for making access to health care a top priority and understanding that rising costs of health care insurance impede economic growth and competitiveness. The status quo is no longer a viable option. Affordable premiums are critical for businesses to stay competitive and attract and keep skilled employees. We therefore urge policymakers to include strategies that will make insurance premiums affordable and thereby expand health care coverage.

GrowJobsCT appreciates the opportunity to provide this testimony. Please feel free to contact Laurie Julian at (860) 828-0359 if you have any questions or comments.