

February 26, 2008

To: Co-Chairmen Senator Jonathan Harris and Rep. Peter Villano

From: Larry McHugh, President
Middlesex County Chamber of Commerce

Re: HB-5617 AA Delaying Implementation of and Making Revisions to the Charter Oak Health Plan

Thank you Chairman Harris, Chairman Villano and members of the Committee for the opportunity to offer written testimony on behalf of the Middlesex County Chamber of Commerce in opposition to HB-5617 AA Delaying Implementation of and Making Revisions to the Charter Oak Health Plan.

The Middlesex Chamber represents over 2,400 members employing just under 50,000 employees and we believe that many of our member's workers would be interested in purchasing health insurance through the Charter Oak Health Plan.

While well intentioned, we believe the provisions included in this bill will negatively impact the implementation of the Charter Oak Health Plan, which aims to provide affordable and accessible health care to those who are previously uninsured.

The first section of the bill eliminates the eligibility timeframe requirement for individuals who have been uninsured from six months to immediate eligibility. We recommend keeping this language at six months in order to prevent adverse selection. Even the HUSKY program has a two month "crowd out" provision with a younger, healthier population. We do not want people who have private insurance or have exhausted other benefits to access Charter Oak immediately since it may cause healthier individuals to opt out of the program, leaving Charter Oak with a sicker, unhealthy population.

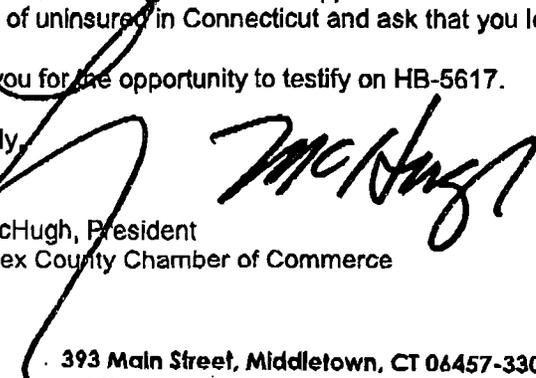
The changes in co-pays, deductibles, coinsurance and mandates will make Charter Oak unaffordable since these are tools to help lower costs for individuals and businesses. If the program is to attain its goal of a maximum premium cost for an individual to be \$250, then these items must be restored. It may be difficult to get a health care company to bid on the program since it may not be able to offer a product that meets the criteria established in HB-5617.

We suggest that the Committee keep the bid process for the HUSKY program and Charter Oak together since it makes it more attractive for health care companies to bid on it. We note that State Comptroller Nancy Wyman did this with the State Employee health plan and MEHIP in order to achieve greater leverage and cost savings.

Finally, delaying the start of the Charter Oak Health Plan will continue to leave thousands of Connecticut residents without health insurance, many of whom work for small businesses with ten or fewer employees, for a longer time. We applaud Governor Rell for her active role in trying to reducing the number of uninsured in Connecticut and ask that you leave the Charter Oak Health Plan as is.

Thank you for the opportunity to testify on HB-5617.

Sincerely,



Larry McHugh, President
Middlesex County Chamber of Commerce

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U.S. Department of Labor LIFT America Award, Connecticut Small Business Advocate Award, Vision 2000 Excellence Award
NAACP Business Award