

Testimony

To

~~Labor and Public Employees~~

Insurance and Real Estate
Committee

House Bill 6582

Bristol Community Organization, Inc.

55 South Street

Bristol, CT 06010

Thomas H. Morrow, Executive Director

March 2, 2009

Thank you for the opportunity to testify on this important legislative initiative. Bristol Community Organization, Inc. is a non profit federally designated anti-poverty agency serving over 8,000 clients from Bristol, Plainville, Plymouth, Farmington, and Burlington.

I would like to thank Senator Crisco and Representative Fontana along with Speaker Donovan for their support of this idea.

With a staff of 25 full time and 52 part time employees and a budget of four million dollars, BCO is like any small business. We have to carry workmen's compensation, we must pay taxes and we often struggle to make payroll because of untimely payments from some of our funding sources. And, we must negotiate with agencies or insurance companies to secure our health benefits.

I support this legislation with a sense of urgency. Attached are three charts which explain the exorbitant jump in our employee health benefits in the past three years. If we did not increase each employee's co-pay and increase the deductibles, we would have been priced out of offering health care insurance to our employees.

Because BCO is funded through state and federal grants with some private and foundation money, there was little or no increase to the grants, except for a 3% or a 1% COLA on some state and federal grants. Therefore, the burden of the cost increases shifts from the employer to the individual employees. There are three examples:

- A family of three including two 29 year olds and a five year old child. Their costs went up 8% in 2007, 98% in 2008, and 17% in 2009.
- A family of two – aged 60 and 61. Their costs went up 47% in 2007, 109% in 2008, and 29% in 2009.
- An individual aged 41. Her costs went up 38% in 2007, 103% in 2008, and 17% in 2009.

A small business, a non profit and so many municipalities – are paying so much more money with no improvements in the quality of care and certainly with no increase in coverage for illness. The cost, quality and coverage for all Connecticut residents would be improved by the formation of one - and only one consumer purchasing pool.

Year	Family of three Age 30/ total Monthly Premium	BCO portion of premium and Co Pay	Employee Portion of Health Savings Account: Premium and Co pay toward deductible	Employee Portion of HMO	Percent of Increase costs to employee Health Savings Option	Percent of increase costs to employee HMO Option
2006- HMO option only offered	\$1,135.20	\$964.92 HMO	n/a	\$170.28 per month	-0-	-0-
2007 – HSA option only offered	\$666.14	\$566.22 HSA plus \$2,000 per year toward deductible	\$99.92/mo plus \$1,000 for year toward deductible		8%	
2008 – HSA and HMO offered to employees	\$754.72	\$641.51 HSA	\$113.21/mo plus \$3,000 for entire deductible	\$185.89 per month	1% plus out of pocket co pays	98%
2009- HMO and HAS offered to employees	HMO- \$920.07 HSA - \$826.46	\$702.49 \$702.49	\$123.97/mo co pay plus \$3,000 deductible plus \$2,000 prescription drug deductible	\$217.58 per month	22% plus \$2000 additional deductible	17%

NOTE: In 2009, Employee chose the HMO option because of the \$5,000 total deductible and the high premium.

Year	Family of two Age 60 total Monthly Premium	BCO portion of premium /and Co Pay	Employee Portion of Health Savings Account: Premium and Co pay toward deductible	Employee Portion of HMO	Percent of Increase costs to employee Health Savings Option	Percent of increase costs to employee HMO Option
2006- HMO option only offered	\$903.95	\$768.36 HMO	n/a	\$170.28 per month	-0-	-0-
2007 – HSA option only offered	\$776.24	\$659.80 HSA plus \$2,000 per year toward deductible	\$116.44/mo plus \$1,000 for year toward deductible		47%	n/a
2008 – HSA and HMO offered to employees	\$1,114.80	\$947.58 HSA	\$167.22/mo plus \$3,000 for entire deductible	Most employees took the HSA plan.	109%	n/a
2009 – HMO and HSA offered to employees	\$1,438.74 for HMO \$1,292.36 for HSA	\$1,098.51 \$1,098.51	\$193.85/mo for co pay plus \$3,000 deductible plus \$2,000 prescription drug deductible	\$340.23/mo	16% plus \$2000 additional deductible	29%

NOTE: Employee chose the HMO option because of \$5,000 deductible and high premium.

Year	Family of one Age 41 total Monthly Premium	BCO portion of premium and Co Pay	Employee Portion of Health Savings Account: Premium and Co pay toward deductible	Employee Portion of HMO	Percent of Increase costs to employee Health Savings Option	Percent of increase costs to employee HMO Option
2006-HMO option only offered	\$420.25	\$357.38 HMO	n/a	\$63.07 per month	-0-	-0-
2007 – HSA option only offered	\$303.58	\$258.04 plus \$1,000 per year toward deductible	\$45.54/mo plus \$500 for year toward deductible		38%	n/a
2008 – HSA and HMO offered to employees	\$343.90	\$292.31	\$51.59/mo plus \$1,500 for entire deductible		103%	n/a
2009 – HMO and HSA offered to employees	\$401.56 for HMO \$380.70 for HAS	306.60 306.60	\$74.10/mo plus \$1,500 deductible plus \$1,000 deductible for prescription drugs	\$94.96 per month	11% plus \$1000 deductible for prescription drugs	17%

NOTE: Employee chose HMO option due to higher premium and \$2,500 deductibles.