

TESTIMONY
BEFORE THE
INSURANCE AND REAL ESTATE COMMITTEE
LEGISLATIVE OFFICE BUILDING
FEBRUARY 5, 2009

My name is Eric George and I am Associate Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut and the vast majority of these are small companies employing less than 50 people.

Both nationally and in Connecticut, the health care system is in need of repair.

More needs to be done to improve the health of our citizens. Employers find health care costs rising faster than other input costs. Some providers are unable to generate sufficient patient revenue to cover costs. Some patients cannot get timely access to optimal care. And too many individuals remain without health insurance, engage in unhealthy behaviors and live in unhealthy environments.

For the business community, the issues of health care quality, cost and access are critical. After numerous years of double-digit and near-double-digit increases, health insurance has quickly become a product that many people and companies find they can no longer afford. In addition, the cost of health care directly affects businesses' ability to create new jobs. In fact, according to CBIA's latest membership survey, over two-thirds of our members indicated that rising health benefit costs alone are negatively affecting their ability to hire additional workers.

Therefore, CBIA asks this committee to support the concepts raised in **HB 5172, AN ACT ESTABLISHING THE CONNECTICUT HEALTHY STEPS PROGRAM**. While **HB 5172** is only in proposed bill format, it does raise important issues that must be considered as Connecticut moves towards reforming its health care system. This legislation considers more than simply the financing of health care. It touches upon improving the quality of health care and reducing its costs in an effort to increase health care access. It also strongly focuses on improving the health status of Connecticut's residents in an effort to improve the overall system.

Improving health care in Connecticut must be achieved in a way that will meet people's needs -- and help the state's economy recover and grow. The best way

to do that is to make our employer-sponsored health insurance system, with its public "safety net," the model for the nation.

Making the best use of our resources to promote quality and value, reduce costs, and increase access to coverage will enable us to accomplish this goal.

Better health care means making private insurance more affordable and accessible -- not handing over the management and control of health care to state government under single-payer or pooling schemes with their more expensive benefits.

Public and private sectors must work together to improve our health care system, mindful of our precarious economy. Without a healthy economy and the good jobs and benefits it brings, meeting Connecticut's health care needs will be impossible.

Please consider these recommendations from CBIA's 2009 Health Care Reform Agenda:

Promote quality

- Use value-based health plan designs that incorporate evidence-based medical practices, in order to give people better care and keep them healthier and more productive.
- Work with the private sector to ensure a "medical home" for all Connecticut residents, which will encourage greater care coordination among providers, improve the quality of medical care, reduce errors, and provide better chronic-disease management.
- Create public-private partnerships to improve people's health status through wellness and chronic-disease management programs.
- Make health care information more accessible to consumers, and the overall system more efficient, by promoting greater use of technology in data collection, transparency, electronic medical records and e-prescribing.
- Adopt pay-for-performance programs to increase patients' safety and quality of care.

Reduce costs

- Encourage small employers to use wellness and disease-management programs by exempting them from the state's insurance premium tax if they offer and maintain those programs. Educate small employers and the public about the importance of healthy lifestyles and wellness programs .
- Enable employers to purchase health care plans that are appropriate for them and their employees, in particular by not burdening small businesses with expensive new health benefit mandates.

- Make private insurance more affordable by increasing Medicaid reimbursement rates and eliminating cost-shifts to the private sector.

Increase access

- In addition to the above reforms that will increase access to private-sector health insurance by making it more affordable, the following will also help increase access:
 - Raise Medicaid reimbursement rates, which will encourage more health care providers to participate in public programs.
 - Increase outreach efforts for HUSKY and other public health care programs.
 - Expand the use of community- and school-based health centers, to provide better care to more patients and improve access to providers.

Again, please support **HB 5172** along with our comments. I look forward to working with you on this and other issues related to the reforming Connecticut's health care system.