



Connecticut Business & Industry Association

**TESTIMONY
BEFORE THE
PUBLIC HEALTH COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 16, 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 supports the following bills dealing with health care reform in Connecticut:

- **HB 6675, AN ACT INCREASING ACCESS TO HEALTH CARE IN CONNECTICUT**
- **SB 675, AN ACT CONCERNING HEALTH CARE COST CONTAINMENT**
- **SB 752, AN ACT PROMOTING THE USE OF HEALTH INFORMATION TECHNOLOGY**

In reviewing these bills, my opinion and comments are guided by several factors.

First, 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.

Second, 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.

And third, the 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.

So, truly comprehensive health care reform must encompass the following:

It Must 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.

It Must 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.

It Must 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.

Therefore, I ask you to support the following bills:

1. HB 6675, AN ACT INCREASING ACCESS TO HEALTH CARE IN CONNECTICUT

HB 6675 seeks to use federal funds in way that increases access to health care in Connecticut. As discussed above, the primary barrier to access is the cost of health care, and as we improve the quality of health care, cost is reduced. So, we urge this committee to support this bill and to focus the use of these federal funds on efforts that reduce health care cost and improve its quality so that access is increased.

HB 6675 should focus on increasing the overall value of health care through improved technology, increased Medicaid reimbursement rates, improved health status and increased data collection and transparency, among other efforts.

2. SB 675, AN ACT CONCERNING HEALTH CARE COST CONTAINMENT

SB 675 would establish the Connecticut Health Care Cost Containment Authority as well as focus on care coordination, preventive care and wellness. **SB 675** would also incent doctors to improve the quality of care they provide.

CBIA strongly urges the committee to support **SB 675** as it correctly focuses on the core reasons why people are uninsured – high cost and compromised quality.

3. SB 752, AN ACT PROMOTING THE USE OF HEALTH INFORMATION TECHNOLOGY

SB 752 promotes the development of health information technology, designates eHealthConnecticut as the statewide health information exchange (HIE) network and seeks to ensure the privacy of health information.

The prospects of developing and implementing a nationwide system of HIE with fully realized electronic medical records (EMRs) would provide significant health care cost savings. Jan Walker, executive director of the Information Technology Leadership, Partners HealthCare System, and her colleagues found that if a nationwide adoption and implementation of level four HIE and interoperability occurred (this is the highest level of exchange and interoperability with the "transmission of structured messages containing standardized and coded data; [leading to an] idealized state in which all systems exchange information using the same formats and vocabularies") then the country as a whole would realize a net savings of \$77.8 Billion. Walker et al, *The Value of Health Care Information Exchange and Interoperability*, *Health Affairs*, Jan. 19, 2005. Thus, the development and implementation of such an HIE and EMR system would carry with it significant value.

In terms of improved quality, HIE and EMR development and implementation would allow doctors the ability to instantaneously access a patient's medical history before providing care. This is significant in terms of allowing the caregiver to understand any preexisting conditions of the individual, including allergies, as well as potential drug interactions with medications currently taken by the patient. Ultimately, HIE and EMR development and implementation would allow physicians to avoid many negative, adverse events and improve outcomes.

CBIA urges the committee to support these bills and we look forward to working with you on the health care reform issue.