



5295
Bart Russell
FTR

Testimony
Bart Russell
Connecticut Council of Small Towns (COST)
Before the Insurance Committee
March 2, 2010
Legislative Office Building

RE: HB-5295 (RAISED) AN ACT CONCERNING MUNICIPALITIES AND PRESCRIPTION DRUG PLANS.

The Connecticut Council of Small Towns (COST) *supports HB-5295 which will reduce health insurance costs by leveraging the buying power of the state to negotiate lower prices for our towns and cities.*

The skyrocketing costs for local employee and retiree health insurance represent one of the most serious fiscal challenges facing small towns. Double digit increases in health insurance costs have begun to dominate budget growth in many communities resulting in fewer resources available for other critical services, including education. Prescription drugs are one of the most significant drivers of rising health care costs.

However, towns have very few options in trying to manage health care costs. The need to negotiate employee health coverage makes it difficult for municipalities to respond to changing budgetary constraints or new plan offerings in a timely manner.

As a result, we welcome opportunities to address health care costs through legislation which would provide more affordable opportunities for towns to provide health insurance to their employees. By authorizing the Comptroller's Office to create a process to allow municipalities to purchase prescription drug coverage through the state, we believe HB-5295 will reduce costs to provide some real savings for towns. We do, however, believe that any program should be voluntary to ensure that towns may continue to be able negotiate with insurance carriers to obtain the best possible price for prescription drug coverage.

COST remains committed to working with lawmakers to develop effective public policies to address staggering health insurance costs facing Connecticut's small towns and look forward to working with you towards this end.