



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

HP

TESTIMONY  
BEFORE THE  
PLANNING AND DEVELOPMENT COMMITTEE  
LEGISLATIVE OFFICE BUILDING  
MARCH 10, 2010

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 here 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.

And our health care problems affect everyone in the state – our businesses, our residents and our municipalities. As such, I would like to offer comments on **HB 5337, AN ACT AUTHORIZING TWO OR MORE MUNICIPALITIES TO PURSUE JOINT EMPLOYEE HEALTH INSURANCE PLANS.**

**HB 5337** is the vehicle for the M.O.R.E. Commission's health care recommendations. I would like to offer my sincere thanks to Representative Sharkey and all of the members of the M.O.R.E. Commission for their diligence and hard work towards crafting recommendations that will allow municipalities to realize increased efficiencies and, hopefully, lower costs. As one of the largest property taxpayers in the state, the business community strongly supports true

health care reform efforts that would improve quality, reduce cost and increase access.

With that, and along with the other issue area recommendations of the M.O.R.E. Commission, CBIA supports the vast majority of them. We would also like to offer comments as a point of clarification on certain recommendations.

Specifically, the M.O.R.E. working group on health care, pensions and collective bargaining (of which I am a member) arrived at three health care recommendations - Municipal Multiple Employer Welfare Arrangements (Municipal MEWA's), prescription drug pooling and health insurance producer disclosure.

### **Municipal MEWA's**

CBIA strongly supports giving municipalities the ability to collectively negotiate benefit levels and premiums in the purchasing of health insurance by forming Municipal MEWA's. Currently there are legal obstacles standing in the way of municipalities from forming such MEWA's. Giving them this ability to voluntarily band together and negotiate their health plan designs and benefit levels would benefit the municipalities and their property taxpayers.

### **Prescription Drug Pooling**

CBIA does not oppose the concept of prescription drug pooling for municipalities. However, it is my understanding that municipalities currently can do this, so legislation is perhaps unnecessary. I would recommend that the Committee investigate this area before legislation is crafted.

### **Health Insurance Producer Disclosure**

As a point of clarification, legislation was passed in 2005 (P.A. 05-61) that requires all health insurance producers (including brokers) to disclose their compensation to their customers if requested by such customers. I would recommend that the Committee investigate this area before legislation is crafted.

Thank you for the opportunity to offer CBIA's comments on **HB 5337** and I look forward to working with you on this and other issues.