



up staples -
we didn't get a chance
to submit our testimony
before the hearing yesterday -
so I wanted to make sure to have
an copy as well as for the
March 22, 2010 record.
THANKS - Christine Cappiello

Statement
Of
Anthem Blue Cross and Blue Shield
On
SB 484 An Act Concerning The Governor's Revenue Plan

Good morning Senator Daily, Representative Staples and members of the Finance, Revenue and Bonding Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in CT. I am here to testify against SB 484 An Act Concerning The Governor's Revenue Plan.

Anthem cares deeply about our Connecticut customers and our community and we share concerns about the rising costs of health care services and the corresponding increases in the cost of health insurance coverage, especially in this challenging economy.

Anthem is committed to finding and implementing solutions that deliver better health care to our members and help to reduce costs. However, we believe strongly that applying a new tax on hospital gross earning in Section 10 of SB 484 is certainly not one of those solutions and in fact will place an even further burden on an already stressed healthcare system. The stresses on the healthcare system are known widely as Congress debates how to restructure the current system. One of the drivers in the cost of health insurance is the underfunding of government programs (like Medicaid and Medicare) to hospitals and physicians all across the country and the cost shift that occurs to private commercial payors. This underfunding causes hospitals to seek higher reimbursements from insurers representing commercial members in order to help fund the large shortfalls, which range from 15% to 30% depending on the government program, from government underpayments. If this new tax were to be imposed, many of Connecticut's hospitals will be left to yet again find a way to pay a new tax from an already underfunded system. And that will mean higher costs in a healthcare system at a time when many employers are teetering on the edge of a decision to continue to provide insurance for their employees or forego this benefit completely because they feel the impact of increases in insurance premiums.

We understand that the state is in a difficult and dire fiscal situation, but we also believe strongly that imposing a new tax on a system that is arguably the most strained will prove to be disastrous and will end up adding to the fiscal crisis rather than helping to improve it.

We respectfully request that Finance Committee reject this proposal.