

5295

**Council 4 AFSCME Testimony Re: Support HB 5295**  
**Insurance Committee                      March 2, 2010**

Good afternoon, Chairman Crisco, Chairman Fontana and members of the Insurance and Real Estate Committee. My name is Brian Anderson. I am a legislative representative for Council 4 AFSCME, a union of 35,000 public and private employees.

I am here to testify in favor of HB 5295, AAC Municipalities and Prescription Drug Plans.

Council 4 supports this because it will allow for municipalities to join one big pool through which to purchase pharmaceuticals for their employees. This will create an economy of scale which leads to cost reductions and therefore savings to the taxpayers. As we know, the property tax has reached regressive proportions in many cities and towns. Pooling such a cost is just common sense and well worth doing. This is especially true when the federal government has reported that the share of the American gross national product consumed by health care costs has just risen from 16.9% to 17.3%. Health care costs for European countries and Canada remains at less than 7% of their gross national product. This means that high health care costs are eating up capital that could be used to create more wealth and new jobs for our country.

This sort of pool purchasing has been used by most of the western industrialized nations since the 1940s and 50s. It is high time that our state catches up.

We urge your support of this bill. I would be happy to answer questions.