

TESTIMONY
BEFORE THE
INSURANCE COMMITTEE
LEGISLATIVE OFFICE BUILDING
MARCH 4, 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, the vast majority of which are small companies employing fewer 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.

With that, CBIA urges you to oppose **HB 5300, An Act Hospital Charges for Uninsured Patients**, which would limit the amount hospitals may charge uninsured individuals seeking care at their facilities. We urge your opposition to **HB 5300** because it will exacerbate the current cost-shifting to the private sector that occurs from the state underfunding its existing health care payment obligations.

Specifically, underfunding by the state under its SAGA and Medicaid programs increases private sector employers' health insurance costs by forcing hospitals to shift a significant portion of this underfunding in order to make up a portion of the shortfall. In fact, the Program Review and Investigations Committee reported in

2006 that this underfunding can bump up the cost of private plans by as much as 30%. And according to the Connecticut Hospital Association, approximately \$400 million is shifted each year to private employers because of government underfunding (both state and federal) and the cost of the uninsured.

Limiting the amount hospitals may charge uninsured patients will only make this cost-shift worse, increase the cost private employers pay for health insurance and increase the number of uninsured residents in this state.

Again, CBIA strongly urges you to oppose **HB 5300**. Thank you for the opportunity to comment on this legislation.