

SMALL BUSINESSES FOR HEALTH CARE REFORM

March 3, 2010

Testimony to the Insurance and Real Estate Committee, Connecticut General Assembly

H.B. 5303: AN ACT REQUIRING REPORTING OF CERTAIN HEALTH INSURANCE CLAIMS DENIAL DATA

I'm Kevin Galvin, owner of Connecticut Commercial Maintenance, a small business located in Hartford. I am also Chair of Small Businesses for Health Care Reform. I have been a small business owner since 1976 when I parlayed my experience as a motor sports competitor into a motor sports promotion business in the U.S. and six other countries. In 1985 I founded Colonial Handyman, which has grown into Connecticut Commercial Maintenance (CCM) a commercial and residential full-service repair, maintenance and facilities consulting company with a diverse client base that ranges from local homeowners to national retailers with Connecticut sites to nonprofit organizations. My company has had as many as ten employees.

The mission of Small Businesses for Health Care Reform (SBHCR) is to make sure Connecticut small businesses have access to quality, affordable health care options. SBHCR provides a voice for small business reflecting our interest in health care policy and the realities of operating a business.

When I served as President of the West Hartford Chamber of Commerce, I worked to expand opportunities, including health insurance options for small employers. Small businesses are very different in a lot of ways, but they have a lot in common:

- Most have thin profit margins – not a lot of extra money to spend
- They don't have a lot of time to research things like health insurance plans
- They need their employees to be productive and as healthy as possible

I know how hard it is to run a small business. The odds are against you – most small businesses fail in their first five years. And obtaining and affording health insurance for the business owners and the employees is almost impossible. Fewer than half of small businesses can afford to provide health insurance to their employees.

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But as a small business owner, every dime I spend comes from my bottom line, from my pocket. So I am very, very careful about how I spend my money. I know my vendors personally. I only deal with companies that give me good value. Most other small business owners operate the same way. We ask our vendors a lot of questions to make sure we are getting the best deal possible and that the products we purchase will serve us now and in the future.

So that brings me to insurance. I have done a lot of research about purchasing health insurance. And when I start comparing one policy to another, I ask various questions:

- How much will this policy cost?
- What are the factors that affect this cost?
- What services does this policy cover?

But when I ask if the insurance company will cover my employees' claims, they can't tell me. They can't give me enough information to make a sound decision. Currently insurance companies are not required to disclose the number or amount of the medical claims they deny, or the reasons for the denials.

I have personal experience with claim denials. My health insurance company denied a family member's claims to the detriment of her health. The problem was not solved until the Office of the Health Care Advocate became involved. Right when you should be focused on helping your family member get well, you are fighting with the insurance company to honor its obligations. That is not an experience I want to go through again. I want to deal with companies that honor their obligations. But I need to know which companies have the fewest denials, and pay the most claims.

My other vendors tell me if they will come through for me and my business.

I need to know that my health insurance company will do the same.

I want insurance companies to disclose the details of claim denials, so I and my fellow small business owners can make educated choices about which plans to purchase. We need to know that we are purchasing a plan that will cover our employees even if they become sick, even if they actually need the insurance. I support HB 5303, and commend the sponsors of the bill for standing up for the citizens of Connecticut.

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