

March 10, 2010

Statement by Paul Filson, Director of Service Employees International Union (SEIU) Connecticut State Council regarding **House Bill No. 5337 AN ACT AUTHORIZING TWO OR MORE MUNICIPALITIES TO PURSUE JOINT EMPLOYEE HEALTH INSURANCE PLANS.**— before the planning and Development Committee



CONNECTICUT
STATE COUNCIL

SERVICE EMPLOYEES
INTERNATIONAL UNION
CTW, CLC

Good afternoon, Co-Chairs, Senator Coleman, Representative Sharkoy and distinguished members of the Planning and Development Committee - I appreciate the opportunity to be here before you today. My name is Paul Filson and I am Director of SEIU's Connecticut State Council. The State Council represents over 55,000 active members in Connecticut. SEIU is Connecticut's largest union. We represent health care workers, building service workers, state/municipal employees and community college professors and staff. SEIU and its locals are members of SEBAC which represents over 40,000 state employees. SEBAC has endorsed the idea of expanding the state employee health insurance plan to include municipalities, small businesses and non-profits.

SEIU members are politically active. Over 500 of our members hit the street in 2008 working to elect national and state representatives who would fight for the interests of working families. We asked every politician to commit to fixing our broken health care system. Make no mistake about it, our system is broken and it needs to be fixed this year. Connecticut has an opportunity to take a small step in the right direction by allowing municipalities to purchase less expensive health insurance for their employees. **HB 5337** takes a small step.

Most of our union members receive quality health insurance through their collective bargaining agreements. Many of our members benefit from being able to participate in large pools of participants keeping costs lower than smaller employers can secure. For instance the cost to municipalities for quality insurance family coverage is often well over \$20,000 per year – sometimes as much as \$28,000. Our members who are janitors in Hartford pay very little for their quality health insurance and their employers, the contractors, contribute much less than most municipalities in CT do for inferior insurance. The reason?

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Connecticut janitors are part of a large pool that includes over 75,000 members and their families.

SEIU state employees have what is considered to be quality health insurance. The cost to the state for health insurance is much less than many municipalities pay for equal or worse insurance. Why? There are over 200,000 lives covered and the state can negotiate better rates for both health insurance and prescription drug plans.

The proposed **HB 5337** really does not go far enough. The larger the pool the more leverage there is to negotiate rates. So why not expand this proposal and do what we failed to do last year – have municipalities, small businesses and non-profit organizations join the state employee health plan. Municipalities and school boards should all join the state employee plan and create a giant pool that could result in significant savings for both municipalities and the state.

The state employee plan has the full participation of the members through their unions and is fully invested in creating ongoing savings. There is nearly complete transparency – we all know exactly what we get for what we are paying. Nancy Wyman, our controller, is accountable to the people. The plan promotes wellness programs. The private insurance that most municipalities buy report mostly to their share holders whose prime concern is profits. The profit reports of almost all the major insurance companies continue to set new records every year just as their proposed rate increases outstrip inflation by huge margins.

SEIU and SBAC support **HB 5337**, but hope that this small step will encourage the General Assembly and the Governor to take bolder action in the future.