

February 14, 2011

Statement by Paul Filson, Director of Service Employees International Union (SEIU) Connecticut State Council supporting House Bills No. 6308, 6305, 6323 and 6322 and SB921 *VARIOUS ACTS CONCERNING HEALTH CARE IN CONNECTICUT.*— before the Insurance and Real Estate, Human Services, and Public Health Committees

Good afternoon, Co-Chairs, and distinguished members of the Public Health, Human Services and Insurance and Real Estate Committees - 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 have 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 700 of our members hit the street in 2010 working to elect a governor and 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 steps in the right direction by allowing municipalities, small businesses and non-profits to purchase less expensive health insurance for their employees. **HB 6308 AN ACT ESTABLISHING THE CONNECTICUT HEALTHCARE PARTNERSHIP** and **HB 6323** take steps in that direction.

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 over \$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? Connecticut janitors are part of a large pool that includes over 80,000 members and their families (over 250,000 lives).

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 6305 AN ACT CONCERNING IMPLEMENTATION OF THE SUSTINET PLAN** recognizes and addresses the crisis that exists in health care. The foundation for change is the larger the pool the more leverage there is to negotiate rates. Municipalities and school boards, small businesses and non-profits 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. Kevin Lembo, 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.

Most of our union members receive quality health insurance through their collective bargaining agreements, but it comes at a cost. We must often choose between decent raises in salary or maintenance of benefits. Our contracts are sometimes unsettled for long periods of time because our employers demand we pay higher and higher percentages of the escalating health insurance costs. When you see union members on strike in Connecticut it is usually because health care benefits are being taken away or employer demands for cost shifting.

Perhaps 10% of our members, over 5000, either do not have insurance or can not afford to buy family coverage. Those members drive our children in school buses, or provide care for the elderly or the disabled. Some members clean office buildings or teach courses as adjunct professors. Is it any wonder that school districts have trouble hiring quality drivers or that job turnover rates in some group homes is well over 100% per year? None of our members who drive school buses or work as monitors on those buses has affordable employer provided health insurance. A while back, we interviewed a school bus driver who decided to buy health insurance through his company, Laidlaw. He was not sure what it would cost. His first paycheck was short \$453 because that is how much his family health insurance was per week -- \$453 per week or \$1800 per month. Needless to say, he dropped coverage immediately and is now using emergency rooms again.

SEIU is demanding a bold and comprehensive approach to fixing our healthcare system in Connecticut. Our current system is bureaucratic. Our current system rations health care. Our current system makes hundreds of thousands of people wait for long periods of time. Our current system concentrates on cure rather than prevention. Our current system limits choice. What more evidence is needed that we must act now to change? Thank you for holding these hearings. A real solution will require creativity, negotiations and choices, but we know that inaction is not an option. Other states are exploring universal health care options.

SEIU generally supports the bills before you today but hopes that these reforms will encourage the General Assembly and the Governor to take even bolder action in the future.