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**Before the**  
**Public Health, Insurance & Human Services Committees**  
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The skyrocketing cost of health insurance is a major concern for our members. During these difficult economic times, employers are struggling to find ways to maintain health insurance coverage for their employees. Unfortunately, group health insurance has become a financial black hole for employers, who are facing double digit increases in costs each year.

The Quinnipiac Chamber of Commerce *opposes* **HB-6305, AN ACT IMPLEMENTATION OF THE SUSTINET PLAN**, which will only serve to exacerbate health insurance costs and concerns.

HB-6305 outlines what is essentially a state-run self-insured health insurance plan that would join state employees and retirees, Medicaid and HUSKY recipients into one pool. The pool would then be opened up to municipalities, nonprofits, and small businesses and by 2014 to everyone in the state. The recommendations also call for the creation of a new quasi-public agency to oversee the health plan. What is not known is how much the plan would cost, particularly if the plan includes benefit levels that are on par with state employees.

Although we applaud lawmakers' efforts to address concerns regarding the cost and availability of health insurance, we are concerned about many aspects of the plan, including the cost of creating a new government bureaucracy at a time when Connecticut is grappling with a projected \$3.7 billion deficit.

In addition, there is a lot of uncertainty regarding the federal health care legislation and whether it will withstand legal and legislative challenges. Implementing the SustiNet plan, which is heavily dependent on federal subsidies, is therefore inappropriate at this juncture.

We are also concerned about the impact of the SustiNet plan on our economy. The private-sector insurance market in Connecticut provides thousands of well-paying jobs to Connecticut residents, which has a positive multiplier effect on our economy as well as state and local revenue bases. SustiNet will be in direct competition with the private sector and in many ways, have a leg up on the private sector because many of the costs of the program, such as marketing, will be borne by taxpayers.

Commonsense healthcare reform comes not from handing control of the system to state government, but from policymakers working to strengthen our market-based, employer-sponsored system by reducing healthcare costs, increasing access to health coverage, and improving the quality of care. Although some savings may be achieved through a larger purchasing pool, it is our understanding that because the state health plan is very expensive - an estimated \$22,000 per year for a family of four - cost savings for small employers is unlikely.

We are also concerned that a statewide purchasing pool would operate outside the small group rating laws, which have helped certain small businesses maintain health insurance by spreading the risk associated with less healthy or older employees across the broadest possible base so that no single small employer experiences a significant increase in rates.

**We therefore urge your rejection.**

*The Quinnipiac Chamber of Commerce serves more than 800 member companies from the North Haven and Wallingford areas. We are the largest non-metropolitan chamber in the state.*