

50 Basswood Road
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February 14, 2011

Re: H.B. No. 6305

To whom it may concern:

I am submitting this as written testimony relative to proposed Sustinet legislation. I believe that the proposed Sustinet legislation should not be implemented for the following reasons:

- (1) It relies upon Federal Health Reform legislation for funding. Federal Health Reform legislation has been deemed unconstitutional and is not likely to be funded.
- (2) It proposes a huge new government bureaucracy and infrastructure that Connecticut can ill afford.
- (3) It will compete directly against the 75,000 private insurance jobs in the state of Connecticut providing sustenance for hundreds of thousands of individuals in this state. Pfizer has moved jobs out of state already and large employers like UTC and Aetna are threatening to do the same because of out of control state government spending and debt. We need these jobs.
- (4) It proposes an arrogant change in law that allows favored not for profits to circumvent current lobbying laws.....to lobby the state government directly and to contribute money. This is dangerous. State oversight is removed from the insurance commissioner.
- (5) Sustinet attempts to leverage the state employee's health plan. This plan has a **healthcare cost basis** that is double the average private plan sponsor health plan. The state plan has adopted none of the cost saving measures that private payers and plan sponsors have.
- (6) Sustinet will cost us more money. Government does not have the expertise to do utilization review, case management and utilization analytics.
- (7) Massachusetts tried the public option via their universal healthcare initiative starting five years ago. The Connector has been an unmitigated disaster for the state. Last year the state ended up purchasing a private brokerage operation to handle the operational aspects of their public option. MA has had to secure periodic Federal bailouts to continue their program.
- (8) Massachusetts tried municipal pooling. There are no towns or cities in their pool. Their proposal was virtually identical to the pooling proposal under Sustinet.
- (9) Sustinet creates a new entitled group of beneficiaries to further balloon our deficit. This is unsustainable.

(10)The conversion of the underlying plan to a large self funded plan is bad public policy and contrary to sound insuring principles. Insurance relies upon predictability of risk, predictability of the demographic to be covered and informed decision-making associated with consistent data. Sustinet produces no credible data, analytics or substantive data to support its proposition. Selection is assured in this atmosphere.

Thanks for considering my thoughts.

Jeffrey J. Hogan