



CITIZENS FOR ECONOMIC OPPORTUNITY
Corporate Responsibility Campaign

H.B. 5013 – An Act Concerning the Board Members of the Connecticut Health Insurance Exchange

My name is Karen Schuessler and I am the Director of Citizens for Economic Opportunity (CEO). CEO is a coalition of community and labor groups addressing health care reform and corporate responsibility issues.

I support the concept of H.B. 5013. However, the bill needs to be strengthened and some of the language needs to be replaced in order to ensure that the Exchange functions as intended, as marketplaces for affordable coverage that is user-friendly and transparent.

This is an exciting time for Connecticut as it embarks on the process of developing new insurance marketplaces. Now is the time for real reform of the health care system and we must get this right. If we are to have an effective health insurance Exchange, insurers can not be in the driver's seat, consumers must be in the drivers seat. A few people on the Exchange Board have spent years working in the insurance industry. What we are not hearing are the voices of the people who struggle everyday with a system that works better for health insurance companies than it does for consumers. According to U.S. Census data released in 2010, nearly 14 percent of Connecticut residents under age 65, or 413,000 people had no health insurance for the entire year in 2009. It is only logical that since so many residents of Connecticut do not have health insurance and since 1 in 10 residents are expected to use the Exchange, they should have input on the Exchange.

The Kaiser Family Foundation reports that only half (53.1%) of businesses in Connecticut with fewer than 50 employees can offer coverage. It is unconscionable that the very people the Exchange is designed to help do not have a voice or a vote on the Exchange. Allowing small business owners on the Exchange who can offer their expertise can help create jobs and make the economy stronger. Kevin John, a small business owner from West Hartford sums up the problem this way, "Until recently, my business partner and I didn't have health insurance for five years. The voice of the small business owner needs to be heard on the Exchange. If health insurance were more affordable we would be able to grant our key part-time employees full-time status, which would increase productivity."

The language in H.B. 5013 should be changed to add 2 members, both representing consumers and 2 small business owners for a total of 4. In addition, the State Healthcare Advocate should have a vote.

Other fixes include having the Office of State Ethics possess the jurisdiction to enforce conflict of interest provisions.

The Board is now interviewing for the CEO position and eight other senior staff positions. The language in the legislation should state that the Chief Executive Officer should be independent of the insurance industry. The CEO will have input into which plans are sold in the Exchange, making sure the right benefits are offered and ensuring that the premiums for exchange plans are reasonable. For years insurance companies put profits before people and it is because of this bad behavior that we are in the mess we are now in. People with ties to the insurance industry could have an advisory role on the Exchange Board but they should not be decision makers or be allowed to vote and they certainly should not be the CEO.

It has been recommended by the Board's consultant that the small business exchange be turned over to CBIA. This would be a huge mistake as CBIA lobbied against health care reform and they are closely tied to the insurance industry.

This legislation needs to be fixed immediately and the consumers should be at the table by March 1. Important decisions and choices regarding the development and operation of the Exchange are now being made by the Board. These decisions will have lasting consequences for generations to come so we cannot delay. It is crucial that we do not turn health care reform over to the very people who opposed and lobbied against health care reform.

Karen Schuessler
Citizens for Economic Opportunity
860-674-0143 x144