



2139 Silas Deane Highway  
Suite 205  
Rocky Hill, CT 06067  
(860) 257-8066

Karen Bullock, Ph.D., LCSW  
Stephen A Karp, MSW, Executive Director  
[naswct@naswct.net](mailto:naswct@naswct.net)

### Testimony On:

**House Bill 5487: An Act Concerning The Recommendations Of The Small Business Healthcare Working Group And Claims Information Required To Be Provided By Insurers**  
Insurance & Real Estate Committee  
March 13, 2012

---

Presented By: ~~Stephen Karp, MSW, Executive Director~~

The National Association of Social Workers, Connecticut Chapter, representing over 3200 members, supports HB 5487.

As a small non-profit employer that is committed to providing comprehensive health insurance to eligible employees we have found that our options for coverage are extremely limited. First limited as to the number of insurers who will write a policy for a group of up to four employees and then further limited as to finding comprehensive coverage that is affordable given our organization's budget.

Of particular assistance to us is this bill's provision of community rating. Having premiums rated by gender and age negatively impacts on our chapter office where most covered employees are women and staff ages run from early 40s to early 60s. Several years ago when I turned 55 the premium increase went up 44%, primarily due to entering a new age bracket. The rate increase in 2010 was 24%, in 2011 was 9%, and in 2012 just under 10%. For a small non-profit these are very challenging costs to meet.

At present two of four eligible employees have opted out of the health insurance plan. However, if all the eligible employees sign up for the coverage we would need to cut approximately \$20,000 from the current operating budget, meaning we would have to cut staff hours or would have to raise the employee contribution on premiums to an unaffordable percentage. In fact this year we had to cut 3 hours per week in staffing to afford coverage of a new employee who opted into our health plan. For many small businesses that offer health care coverage the premiums have reached a point where adding staff hours or new staff is simply unaffordable. Our state's economic recovery is being hindered by the cost of health insurance.

The current rating of small employers by age clearly creates a disincentive for a small business to hire more experienced employees who will drive up premiums costs solely due to age. While age discrimination in employment is illegal it is easy for an employer to justify hiring of a younger person and difficult for an older worker to prove denial of employment due to age. Pure consumer rating will lower premiums for small employers with older workers and eliminate the disincentive of hiring workers who are in their 50s and 60s.

Opening up the state employee health plan to small businesses and non-profits would provide small employers, including NASW/CT, with a pooling option for health insurance coverage. It will also build in

healthy competition in the small employer health insurance marketplace. At the same time opening the health plan to small businesses and nonprofits would expand the number of covered individuals in the plan, which should allow the plan to negotiate more favorable coverage rates and increase the amount of premium dollars in the plan's fund. For our organization it could mean having additional dollars for expansion of staff hours and for some employers even allowing for the hiring of additional staff. Opening up the plan will create a win/win/win situation, good for the health plan, the state's nonprofits and small businesses.

Besides the value to NASW/CT this bill will offer many of our members in independent practice with community rated coverage and an option for pooled purchasing of health insurance through the state plan. We estimate that at least 800 of our members are in solo or small group practices and for those who do not have coverage through a spouse or partner finding suitable options for health care coverage is difficult and often unaffordable. Bill 5487 will provide these clinical social workers, who are running their own mental health practice, with a choice for coverage that gives them premium rates based on a pooled plan. In fact just yesterday I had a member inquire if I knew of any affordable options for her as she had recently opened her own practice and has yet to find coverage she can afford.

Ultimately we need a community rated public option health insurance plan open to all businesses and individuals in Connecticut. In the meantime, HB 5487 is the best response this Legislature can offer to small businesses and non-profits that choose to do right for their employees by offering employer sponsored health coverage.