



March 12, 2013

Statement by Paul Filson, Director of Service Employees International Union (SEIU) Connecticut State Council in support of H.B. No. 6614 AN ACT CONCERNING EMPLOYERS AND HEALTH CARE before the Labor and Public Employees Committee.

CONNECTICUT
STATE COUNCIL

SERVICE EMPLOYEES
INTERNATIONAL UNION
AFL-CIO, CLC

Good Afternoon, Co-Chairs, Senator Osten, Representative Tercyak and distinguished members of the Labor and Public Employees Committee. I appreciate the opportunity to testify today. My name is Paul Filson and I am Director of SEIU's Connecticut State Council. The State Council represents over 65,000 members in Connecticut. SEIU is Connecticut's largest union. SEIU supports expanding access to affordable, secure and quality health care in Connecticut through the Affordable Care Act and requiring employers to pay the state for shifting health care coverage responsibilities to the public.

Let us look at some indisputable facts:

- *Many of Connecticut's most profitable corporations do not provide affordable quality health insurance including Wal-Mart, First Student, Dunkin Donuts and McDonalds. Over 10,000 workers at these and other large profitable corporations are enrolled in HUSKY.*
- *Connecticut's HUSKY program is a successful program designed to insure the uninsured. HUSKY is meant for low-income residents and is paid for by tax-payers.*
- *Only 69% of employers in CT provide insurance for their workers (down from 78% in 2001).*
- *Corporate business taxes add less than 4% to collected revenue for Connecticut's budget. This is down from over 11% 15 years ago. Many CT based small and medium sized businesses pay more in Connecticut taxes than hugely profitable national corporations. Connecticut allows large corporations to avoid paying taxes through a myriad of loopholes*

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Printed By: The CSEIU Staff Union

- *With the introduction of the Affordable Care Act several high profile corporations have threatened to make more and more of its employees part time in order to avoid obligations under the ACA.*

Taking these facts into account what should be done and what would be good public policy that would have the best overall effect. Clearly, the more people medically insured in Connecticut the better. But, who should pay?

Large profitable companies like Wal-Mart and Dunkin Donuts have the resources and obligation to pay for medical insurance for their workers. They should not be allowed to pass on these costs to taxpayers in the name of profits and jobs. In fact, Wal-Mart's low wage bad benefit model is proven less successful than COSTCO's opposite policy. Though COSTCO sells goods for low prices and pays their workers living wages with good benefits (\$16/hour, health insurance, retirement plans etc...) they earn more than \$2000 more per employee in profit than Sam's Club, Wal-Mart's version of COSTCO. Thus the argument that providing decent wages and benefits will cause Connecticut to lose jobs is not a given. In fact, leveling the playing field should have the opposite effect - providing incentive for other decent companies to open and compete with bottom feeders like Wal-Mart.

HB 6614 is a shell and we will be proposing substitute language that will have a positive effect in Connecticut. It will save the state money by injecting corporate money, from larger employers (100 or more employees) into the state run health programs for the low-income. It will close the loophole created by the ACA that allows corporations to avoid responsibilities by moving employees to part-time status. It will increase the pool of people insured in state programs giving the state increased purchasing power. It will encourage job growth by leveling the playing field. It will save the state and taxpayers money by decreasing the amount of uncompensated care and encouraging profitable companies to maintain or increase the number of full time workers they employ.