

DIVERSIFIED  GROUP
Your Solution to Health Benefits

Dear Senator Bye, Representative Harp and Members of the Appropriations Committee:

Diversified Group Brokerage d/b/a Diversified Group, is a Third Party Administrator (TPA) for self-insured group health plans. Our corporate headquarters is located in Marlborough, CT. We have doing business in Connecticut since 1967. We employ 65 people. The majority of our customers, self-insured employers, have businesses and provide benefits to their employees in the state of Connecticut. Many of these customers also have employees living outside of Connecticut. We are also a self-funded employer with employees both in and outside Connecticut.

We, as an employer and a TPA, are strongly opposed to being included in SB 21 Sec. 24 both as a TPA and as a self-funded employer in this state. Including self-insured plans and TPAs under this proposed bill would be an ERISA preemption violation. Precedent is clear on ERISA preemption. Our customers are aware of the burden this bill attempts to put on their health plans and they are also opposed. Further, we are active members of the Self Insured Institute of America (SIIA) which represents TPAs and self-insured employers like ourselves on a National basis. SIIA will also be presenting testimony in opposition of SB 21 today.

By way of background, one of the major components of ERISA of 1974 was to provide employers that have employees in many different states a way to offer quality, uniform benefits across state lines. If self-insured plans had to comply with each states unique requirements it would make the administration of such plans a much more costly endeavor. Extra cost in health care is not popular these days. The extra costs to address each states unique rules would not be feasible. When plans spend money trying to comply with each states pet projects it takes away valuable dollars that would otherwise be used to fund health care costs like preventive care and hospital and doctor visits. In addition, these proposed administrative duties and assessments would make it more difficult for employees and their families to pay for health care in our state.

We respectfully request that self-insured plans and TPAs be removed from this bill entirely.

Sincerely,



Brooks Goodison
President