

SEIU Local 2001



Stronger Together

Patrice Peterson
President

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**Labor and Public Employees Committee
Tuesday, March 11, 2014**

Senator Holder-Winfield, Representative Tercyak, and members of the Labor and Public Employees Committee. My name is Patrice Peterson and I am the President of CSEA SEIU Local 2001, a union that represents 27,500 state, municipal, and private sector employees and retirees across the state of Connecticut. I'm also a special education teacher for the Department of Developmental Services.

I come before you today to testify in support of HB 5451: An Act Concerning Health Care Pooling. This bill requires municipalities to submit actuarial and claims data on their group health policies to the State Comptroller for analysis. The Comptroller's office will then provide a quote to the municipalities so they can determine whether they will save money by joining the State employee/retiree medical and pharmacy risk pool. No municipality would be forced to join, but residents would get to see if money could be saved.

When the partnership plan was passed into law, it was with the understanding that by allowing municipalities and local boards of educations to join with the State in this risk pool, municipalities and boards of education would be able to achieve lower costs for their benefits and, equally as important, long term price stability. The State employee/retiree medical and pharmacy risk pool is large and its experience is predictable. It presently has about \$1.3 billion of claims per year and covers over 200,000 persons. The State, through the Health Care Cost Containment Committee (HCCCC) has been able to achieve competitive administrative fees from its third party administrators (TPAs) and competitive pricing for its pharmacy benefits (i.e. discounts, rebates and dispensing fees).

Because of the way that health insurance rates are negotiated, larger pools have greater negotiating power and are able to achieve better rates. The more municipalities that join the pool, the stronger Connecticut's negotiating position becomes and the better our ability will be to reduce health care costs for municipal workers and tax payers alike. It is in all of our interests to encourage more municipalities to see if joining the pool would save money.

I also ask that members of the committee support SB 249: An Act Promoting Retirement Savings. The goal of this legislation is to create a state-administered retirement savings plan for low-income private sector workers. There is a coming retirement crisis in this country as many Americans are struggling to save money for their future. This bill is a step in the right direction.

Thank you.

Patrice Peterson
President CSEA SEIU Local 2001