



CCM 2015 Testimony

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JUDICIARY COMMITTEE

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The Connecticut Conference of Municipalities (CCM) is Connecticut's statewide association of towns and cities and the voice of local government - your partners in governing Connecticut. Our members represent 156 towns and cities, representing over 95 percent of Connecticut's population. We appreciate the opportunity to testify on bills of interest to towns and cities.

HB 7002 "An Act Recovery of Payments From Collateral Sources by a Municipality With a Self-Insured Health Plan"

CCM supports HB 7002 as the bill would allow municipalities that have self-insured health plans to have the right of subrogation against a tort-feasor.

Current law prohibits self-insured municipalities to seek payments from a third party for health care costs that they caused from injury or wrongful death from someone covered under their health plan.

There are approximately 36 municipalities that have self-insured health plans. Some municipalities have estimated that if this provision, as proposed in HB 7002, existed today -- then approximately 1-2% of their annual costs could be recoverable. For a larger city that has an annual cost of \$90 million, this could allow them to recover approximately \$900,000 in paid medical benefits based upon what is paid, per year, in health benefit claims. Even for smaller self-insured towns, the estimated recovery would provide a considerable savings.

In addition, HB 7002 would align with current state law regarding the Worker's Compensation Act which allows subrogation against a tort-feasor.

CCM urges the Committee to favorably report HB 7002.

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If you have any questions, please contact Mike Muszynski, Senior Legislative Associate of CCM at mmuszynski@ccm-ct.org or (203) 500-7556.