



**TESTIMONY BEFORE THE
LABOR AND PUBLIC EMPLOYEES COMMITTEE
LEGISLATIVE OFFICE BUILDING
FEBRUARY 26, 2015**

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business and Industry Association (CBIA). CBIA has been representing Connecticut's employers for 200 years and our goal is to foster a dynamic business climate. Our members include businesses from across the state of all sizes and industry types and we are proud to say the vast majority of our members are small companies employing less than 50 people.

CBIA submits this testimony in opposition to HB 6785 An Act Concerning Cooperative Health Care Arrangements.

CBIA's members are concerned about cost and quality of Connecticut's healthcare system. In a recent survey, CBIA's members listed healthcare costs among the top 3 issues keeping them up at night – right behind national and state economy.¹ And, I am sure many of you have firsthand knowledge from your friends and neighbors about the concerns regarding the rising cost of health insurance.

Connecticut employers help their employees pay for health insurance and rising premiums make it increasingly more difficult for employers to help their employees pay. Equally important, employers value the bottom line impact of healthy employees because that means a productive, innovative workforce.

CBIA opposes HB 6785, as it has opposed very similar bills in previous years, because of the costly impact on Connecticut's employers. This bill would exempt provider cooperative healthcare arrangements from antitrust law. Such an exemption would be detrimental to healthcare consumers because it would swap consumer protection for provider protections. This policy would negatively impact the cost of healthcare in Connecticut.

Importantly, the Connecticut Attorney General and the Federal Trade Commission have also weighed in on similar proposals in the past. The Federal Trade Commission responded to an inquiry by the Labor Committee chairs to a very similar bill in a letter dated June 4, 2013 and had this to say about the bill: "If enacted, it will be very likely benefit only participating physicians, who seek to enhance their bargaining power in selling their services, while harming health care competition and health care consumers in Connecticut."

A link to the full letter can be found here:

http://www.ftc.gov/sites/default/files/documents/advocacy_documents/ftc-staff-comment-connecticut-general-assembly-labor-and-employees-committee-regarding-connecticut/130605conncoopcomment.pdf

Current antitrust law permits specific exemptions and the scope included in HB 6785 is not justified.

For these reasons CBIA respectfully expresses our opposition to HB 6785. Thank you for the opportunity to offer our comments.

¹ See 2014 Survey of Connecticut Business: http://www5.cbia.com/newsroom/wp-content/uploads/2014/09/BlumShapiro_14.pdf (page 5)