



2/26

Stephen Anderson
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David Glidden
Executive Director

Labor and Public Employees Committee
February 26, 2015
Senate Bill 913 – Support
Senate Bill 909 – Support
Senate Bill 910 – Support

Senator Winfield, Representative Tercyak and members of the Labor and Public Employees Committee:

My name is David Glidden and I am the Executive Director of CSEA SEIU Local 2001, a labor union representing public and private sector workers across the state including thousands of municipal and board of education workers. I'm here today to speak in support of S.B. 913, An Act concerning healthcare data reporting.

Over the last several years, in virtually every set of municipal contract negotiations, the union and management must grapple with rapidly escalating healthcare costs. The problem is especially pronounced in small towns that, by their nature, have limited negotiating power with healthcare plan providers.

This problem has intensified to the extent that I have actually heard town and board of education officials express relief when they are able to hold yearly rate increases to 7 or 8%. In addition, these rising costs have led many municipalities to embrace high deductible health plans. These plans shift the cost of healthcare to employees while setting up a system that actually discourages employees from seeing a doctor.

There is a better, much more cost effective way for municipalities to provide healthcare for their employees. The Connecticut state employee health plan has been extraordinarily successful in containing healthcare costs. The key to that success is based on the size, and therefore the bargaining power, of the plan and on the effectiveness of a labor-management committee that is continually employing cost containment strategies.

Some years ago, the legislature created the State Partnership Plan. The plan is administered by the Comptroller and is, in essence, parallel to the State employee plan. For municipalities, the plan is an good alternative. Upon receiving a quote from the Comptroller, the municipality may go with the plan, reject it, or even use the quote as leverage when negotiating directly with health plan providers. Despite the fact that getting a quote is extremely easy, many municipalities refuse to, opting instead to follow the self-serving and false advice of health care brokers.

Last year we supported a bill that would have required towns to do their due diligence and get a Partnership quote. That bill failed due to the predicted cost associated with administering a mandatory quote system. SB 913 provides a cost effective alternative. Rather than requiring the Comptroller to provide quotes for every town, this bill would simply require towns to submit their healthcare claims data. It is a transparency measure that makes the healthcare costs accessible, thereby allowing for an analysis and potentially a pathway to better solutions for towns, like the State Partnership Plan.

I would like to add that, while the Partnership Plan has been an good alternative, it really is not as successful at containing costs as it could be. CSEA, along with a coalition of other labor unions, urges the legislature to embrace what we call true pooling. True pooling would allow towns, on a voluntary basis, to enter the State employee health plan, rather than just the parallel partnership plan. Under such a plan, towns would no longer have to get a quote, they could simply opt to join the state plan at the state's rates.

The state employee plan costs less than most comparable plans, including many less generous plans, currently available to municipalities. Allowing for municipalities to buy health insurance through the state would not add risk or cost to the state and would bring savings to cities and towns.

We are encouraged that this committee is looking at ways we can reduce health insurance costs and invest in quality care, one way that we can do this is through real municipal pooling.

CSEA would also like to voice our support of, both, S.B. No. 909, AN ACT CONCERNING MANAGERS IN STATE SERVICE, and S.B. No. 910, AN ACT CONCERNING THE INCLUSION OF THE HISTORY OF THE WORKER IN THE PUBLIC SCHOOL CURRICULUM

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