CONNECTICUT
BUSINESS & INDUSTRY
ASSOCIATION

**TESTIMONY BEFORE THE**
**INSURANCE AND REAL ESTATE COMMITTEE**
**LEGISLATIVE OFFICE BUILDING**
**FEBRUARY 18, 2016**

My name is Jennifer Herz and I am Assistant Counsel for the Connecticut Business & Industry Association (CBIA). CBIA has been representing Connecticut's employers for 200 years and today is proud to say the vast majority of our members are small companies employing less than 50 people.

Connecticut's employers are very concerned with the cost and quality of healthcare. In a 2015 survey, CBIA's members, once again, listed healthcare costs in their top 3 greatest concerns.[1] Connecticut's employers contribute to their employees' premiums and rising premiums make it more and more difficult for employers to help pay for their employees healthcare. Equally important, employers' value the bottom line contribution of healthy employees because that means a productive, innovative workforce.

While CBIA is concerned about the cost of new mandates, we also appreciate the potential long term benefits of certain services/procedures. However, without the specific data it is not possible to analyze the cost/benefit impact and therefore **CBIA urges you to reject SB 35, SB 36, SB 37 and SB 38.**

Connecticut employers are concerned with Connecticut's high number of existing health benefit mandates because in the aggregate they restrict choice and increase price. And, without data to show the long term cost/benefit of a particular service/procedure it is not possible to determine if the benefit will outweigh the increased cost.

**Cost to the State**

The Essential Health Benefit (EHB) package – the set of procedures and services required under the Affordable Care Act – has already been set by Connecticut. If the state adds new mandates, not included in the EHB, the state must pick up the bill for certain individuals who utilize those new mandates. This additional cost to the state is especially concerning considering the fiscal realities of this year.

[1] See 2015 Survey of Connecticut Businesses: http://www.cbia.com/resources/economy/reports-surveys/2015-survey-of-connecticut-businesses/

**New Mandates = Higher Cost for Small Employers**

New health benefit mandates directly impact small employers because these mandates only apply to companies that fully insure. Typically smaller employers fully insure because they cannot afford to self-insure. Larger companies that are able to self-insure are exempt from state requirements and instead subject to federal rules. We must work together to ensure health insurance is affordable for all of Connecticut's residents and CBIA is especially concerned about Connecticut's small employers.

While we certainly agree not all new mandates are cost prohibitive we must also be prudent in adopting new measures and be sure we have all the data to substantively analyze new measures. Furthermore, in consideration of the additional cost to the state to pay for new mandates CBIA urges the Committee to reject **CBIA urges you to reject SB 35, SB 36, SB 37 and SB 38** at this time.

Thank you for the opportunity to offer CBIA's comments.