



*Connecticut Retail Merchants Association*  
*The Voice of Retailing*

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**Testimony by Tim Phelan,  
President, Connecticut Retail Merchants Association  
Committee on Insurance and Real Estate**

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Senator Lesser, Representative Wood, Senator Hwang, Representative Pavalock-D'Amato, and members of the Committee on Insurance and Real Estate. My name is Tim Phelan, and I am president of the Connecticut Retail Merchants Association, a statewide trade association representing thousands of Connecticut retailers, large and small, and all across our state of Connecticut.

**I am here before you today regarding House Bill 6585, An Act Concerning Association Health Plans.** Thank you very much for the opportunity to testify today on this proposed legislation, which we wholeheartedly support. This legislation would authorize Association Health Plans in Connecticut, to the maximum extent permitted under federal law.

As you know, retail businesses support more than 470,000 jobs and contribute more than \$34 billion to our state's economy. There are roughly 42,000 retail establishments in Connecticut, and in total, the retail industry produces approximately 14% of Connecticut's total GDP. Retail businesses provide good jobs for Connecticut families, and more than 98 percent of all retail companies are small businesses, employing fewer than 50 people.

Without question, the past year has been tough for Connecticut families and for our retail businesses. It has been more challenging to stay in business, and keeping costs in check has been more of an uphill battle than ever. The COVID-19 economy this year has put retail businesses, particularly small independent retailers, under increasing pressure just to stay in business - and to stay in business here in Connecticut.

That is why we support legislation like HB 6585. The one cost that is crippling small retailers - and one that I hear most often from members when I speak with them - is the cost of health care. Association Health Plans are a solid private sector solution to rising health care costs. They are effective. And they help keep Connecticut retail businesses, and Connecticut residents, here in our state.

Passage of this legislation would also send an important signal to retail businesses - which are critical to Connecticut's economy - that this legislature supports effective ways to help small retailers in this State. It would allow small businesses to work collaboratively to do what larger businesses do - obtain and offer affordable and quality health insurance to their employees and their families.

For retailers, an Association Health Plan provides an opportunity to join together to reduce one of the highest costs they have in running their businesses. Reducing costs can be the difference between staying in business and closing up shop, adding employees or trimming the workforce, expanding or not.

An Association Health Plan can help small independent businesses use the power of group purchasing to realize some savings, continue in business, and compete successfully in the competitive marketplace.

And particularly this year, as the legislature considers its options regarding health insurance, cognizant of our status as the Insurance Capital of the World, and also very aware of the fact that health insurance continues to be unaffordable for far too many of our residents.

That makes moving forward with this legislation particularly attractive. It would provide associations like ours the opportunity to obtain cost-effective insurance, with the likely result of reducing costs and increasing coverage among our employees, who are, after all, your constituents. If ever there was a win-win, this is it.

Especially this year, after all we have been through these past 12 months, I would suggest that a little bit of relief can go a long way. And keeping that insurance coverage in Connecticut, also matters here, as it should.

Association Health Plans, like any cooperative endeavor, are designed to allow for negotiations over savings, offerings and financial incentives. Regarding health insurance, that could include savings for wellness activities, as well as provider cost and quality transparency data. Work collaboratively can lead to healthier, more educated consumers of health care services, and lower premiums.

As we emerge – hopefully – from the pandemic, we need to spend more of our time in 2021 discussing ways that retail businesses can lower the cost of doing business so that we can expand operations, increase jobs and continue to provide first-rate quality services to consumers. We believe this bill will help move us in that direction.

The draft language of this bill may not be perfect, but we are confident that we can get there. We would be happy to work with you to accomplish that, looking, as the legislature often does, to what's working elsewhere. There are numerous models in numerous states, the nearest being just over the border in Massachusetts.

Thank you for the opportunity to share our view in support of HB 6585, AAC Association Health Plans in Connecticut. I look forward to working with you to achieve passage in this session. And I thank you for your commitment to Connecticut's retail businesses.