



Insurance and Real Estate Committee Public Hearing

February 9, 2021

SB 842 – An Act Concerning Health Insurance and Health Care in Connecticut

Good Morning Chairman Lesser, Chairwoman Wood and Members of the Insurance and Real Estate Committee. I am Jody Barr, executive director of Council 4 AFSCME a union of 30,000 public and private employees. I am here to speak in favor of Senate Bill 842, AN ACT CONCERNING HEALTH INSURANCE AND HEALTH CARE IN CONNECTICUT.

This bill would allow Connecticut small businesses, nonprofits and municipalities to buy into one big health insurance pool. Basic economics has shown for millennia that pooling brings down the price of a good or service.

The current cost of healthcare is doing severe economic damage, not just to our towns, state and nation, but also to small business and average families. Almost 20% of America's gross national product is eaten up by health care costs (CIA World Factbook). Our peer countries in Western Europe and Canada spend about 11% of their GNP on healthcare and seem to get better outcomes and more comprehensive coverage. Our healthcare costs are hurting our country's overall ability to compete in the global economy.

SB 842 offers a market-based solution that uses private insurers to provide much of the service. The large pool makes things more efficient, and as we have seen with the state employee health plan, holds down costs. Often the state employee plan has come in at a zero renewal, or inflation, rate. Sadly, we have seen small employers or families hit with renewal rates that are astronomical and unaffordable. This puts employers and families at great financial risk and can break them economically.

The state comptroller would oversee this plan. That means that someone whose only interest is serving the public would be the watchdog over services and costs. We have seen insurance CEOs take gargantuan profits from their customers. This would help stem such abuse.

I would be happy to provide any further information.