

Insurance and Real Estate Committee  
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**PUBLIC HEARING TESTIMONY**

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**Testimony in Opposition**  
***S.B. No. 842 AAC CONCERNING HEALTH INSURANCE AND HEALTH CARE IN CONNECTICUT***

Co-Chairs Lesser and Wood, Ranking Members Hwang and Pavalock-D Amato and members of the Insurance Committee. My name is Stephen Glick and I am Co-Founder and Administrator of the Chamber Insurance Trust (CIT) an innovative health care entity that provides over 1,000 Connecticut businesses with group buying power that provides innovative and competitively priced benefit solutions across Connecticut and Western Massachusetts

As the insurance capital of the world, Connecticut has a lot of options for health care coverage. We also have a lot of state residents employed in this industry. S.B. No. 842 AAC CONCERNING HEALTH INSURANCE AND HEALTH CARE IN CONNECTICUT threatening these things. They are proposing a “public option” or buy-in proposal. Their ideas could have a devastating effect on our state, when other viable and more effective options currently exist.

The Chamber Insurance Trust (CIT) was created in 1992 to bring cost-effective benefit solutions for the local business community through the combined buying power of thousands of chamber members. CIT's complete range of insurance options are designed to offer small and mid-sized businesses competitively-priced benefit packages with great service. CIT has evolved into innovative health care cost solutions and is currently bringing those new options to businesses across Connecticut and Western Massachusetts.

While nothing is perfect, we have found our efforts in the insurance marketplace here in Connecticut have provided numerous options to meet the needs of our employees. The proposals being discussed in SB 842 would have the opposite effect of their goal and could dramatically threaten consumer choice, hurt affordable care, and will lead to higher taxes for businesses and individuals.

SB 842 would be an extremely risky scheme, structure and approach for Connecticut to try and implement at this time. It will create an approach that competes unfairly with the private market by offering a self-funded MEWA or just a self-funded plan with multiple groups, funded

by charging more to existing patients and businesses and asking them to subsidize the new state government run option.

Look no further than the State of Kentucky, which in the late 1990's nearly bankrupted its state employee plan by opening and their plan and subsidizing outside entities. This same thing could happen here given the state's inability to administer a solvent municipal partnership plan for the past few years, which lost \$31.9 million in 2019, tripling its losses from the previous year.

If implemented, SB 842 would leave small businesses as the financial backstop against any future deficits the public option plan may encounter and under this proposal, small businesses who opt-in to the plan will be the backstop in the future, going forward. There is also zero accountability in this structure and approach. No regular outside audits would be required as they are always required by state government on insurers.

SB 842 continues these efforts to have state government run options and attempts to expand state run government-run insurance. As we have seen on both the state and national level, government does not run health care programs efficiently. In fact, many of them, from Medicaid to the state Partnership Plan, are woefully underfunded.

These efforts to expand government's involvement in the insurance market would end up hurting consumers and business owners. By destabilizing the private insurance market, they would increase costs for consumers and reduce choice. They would also allow the state to subsidize the programs, which would further draw people away from the private insurance market. Then, if the programs became insolvent, state taxpayers would be on the hook.

With our state already facing serious budget problems, why are legislators even considering going down this road? One of the biggest complaints that businesses already have in this state are the high taxes, and these proposals would lead to higher taxes in the future.

This is not the time for reckless experimentation. Instead, it is time to listen to the experts and those with experience in insurance matters. There are numerous issues that need to be considered carefully before legislators pass SB 842.

Thank you for the opportunity to testify today before the Committee. I would be happy to answer any questions you may have.