



Date: February 9, 2021

To: Insurance & Real Estate Committee

From: Jeff Shaw, Senior Director of Public Policy & Advocacy

Re: S.B. 842 An Act Concerning Health Insurance and Health Care in Connecticut.

Good afternoon Senator Lesser, Representative Wood, Senator Hwang, Representative Pavalock-D'Amato and distinguished members of the Insurance and Real Estate Committee. My name is Jeff Shaw, Senior Director of Public Policy and Advocacy at the Connecticut Community Nonprofit Alliance (The Alliance). The Alliance is the statewide advocacy organization representing nonprofits. Community nonprofits provide essential services to over half a million individuals and families in Connecticut every year, and employ 14% of Connecticut's workforce, improving the quality of life in every city and town across the State.

**The Alliance supports S.B. 842**, which paves the way for new public options to make health insurance affordable and increase access for those uninsured or underinsured. Specifically, the legislation would allow nonprofits of any size (and their employees) to be eligible for new health insurance plans being developed by leveraging the negotiating power and existing programs of the state employee health plan. Other provisions would restore eligibility for HUSKY A parents to 201% of the federal poverty level (FPL), allow undocumented immigrants to purchase health insurance and providing more resources for people seeking coverage through Access Health CT, all of which would reduce the number of uninsured or underinsured people in Connecticut.

Despite major gains in health insurance coverage through the Affordable Care Act, too many Connecticut residents still cannot purchase affordable health insurance in the private market, through Access Health CT or through their employer. The COVID-19 pandemic has highlighted the importance of having quality, affordable health care, especially to the many nonprofit employees on the frontlines.

As part of addressing community needs, nonprofits that provide health and human services generally serve whoever walks through their doors, regardless of their ability to pay. Nonprofits serve the uninsured and the underinsured, even if they cannot recoup all costs. This commitment to their community leads to better health outcomes for the people being served and avoids people ending up in more expensive settings such as emergency rooms, jails or shelters.

Over the last decade, community nonprofits that provide essential services have borne the brunt of State budget cuts, a portion of that funding intended to pay for health insurance for nonprofit employees. While funding for nonprofits decreased, operational costs, such as providing health insurance for employees, increased exponentially, as much as 24% within a year according to one employer in the small group market.

On top of those operational cost increases, there has been widespread increased demand for services, and significant financial challenges exacerbated by the COVID-19 pandemic. As a result of all these increases in costs, some employers struggle with the decision to reduce the quality of health plan



offerings or only offer high-deductible plans. Not surprisingly, staff turnover occurs as these benefits are reduced, which threatens continuity of care for thousands of vulnerable people.

S.B 842 seeks to address affordability and access. Importantly, nonprofit employers of all sizes would be eligible to participate in the proposed legislation. To make sure these new health care options works for the most nonprofits, The Alliance strongly recommends:

- The public options should be optional. Nonprofits should not be forced into buying any health insurance plan. While the public options will likely be an attractive offering for many nonprofits, some organizations may be happy with their current plan, network and costs.
- For nonprofits that contract with the State to provide services, the State should adjust current contracts to include all costs associated with the proposed insurance, which could potentially be more expensive than their current plan.

S.B 842 seeks to offer high-quality health care with affordable premiums and no high deductibles. Nonprofit employees, and the people they serve without insurance, deserve these options.

Please support S.B. 842. Thank you.