



February 9, 2021

Testimony in Opposition to SB 842, An Act Concerning Health Insurance and Health Care In Connecticut

Chairman Lesser, Chairman Wood and members of the Insurance and Real Estate Committee, thank you for the opportunity to provide written testimony on the above referenced bill.

The mission of the Greater New Haven Chamber of Commerce is to be advocate for our members, a venue for connections and a promoter of economic growth in the 15 towns in the greater New Haven region. The chamber opposes SB 842 because it believes that the well-intentioned goals of this bill will not achieve the desired outcome of lowering health care costs. Rather, we believe this policy will result in taxpayer subsidies to cover the shortfall needed to finance the program.

The bill calls for a “public option” which will allow companies that employ 50 people or less an opportunity to participate in a state run program that will pool its employees with state employees and retirees under the state employee plan. The bill proposes to allow the Comptroller to assess companies to cover administrative costs and creates a company backed risk fund to pay claims that exceed the premiums collected for multiemployer plans. Small companies could end up being charged far in excess of what was expected entering the plan. Even more problematic is the ability for the Comptroller to accept or reject applications which could easily lead to participation being determined by a company’s medical history.

The bill also creates an uneven playing field for private carriers in the insurance industry, a major employment sector and a major driver of Connecticut’s economic engine. Private insurers cannot assess their members for administrative fees or establish a “risk fund” to pay claims that exceed premium payments. Unlike private providers, the Comptroller will be exempt from Connecticut Insurance Department regulations and will provide a rate guarantee that limits increases or decreases in premiums to no more than 3%. Private insurers cannot offer this guarantee.

The Greater New Haven Chamber of Commerce wants to be part of the solution. We know rising health care costs are a major issue for our members. We must find a way to lower healthcare costs. This bill does not do that, but rather, proposes to establish what we believe will be a very expensive program which will result in sharply increased healthcare costs in this state.

Thank you for your consideration. We look forward to working with you on this and other important issues going forward.

Sincerely,

Garrett Sheehan
President & CEO

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