

*David E. Wilgan  
25 Bradley Drive  
Monroe, CT 06468*

Feb. 9, 2021

Matthew Lesser  
Insurance & Real Estate Chairman  
Capitol Building  
Hartford, CT

Re: S.B. 842

I'm writing in opposition to the above-mentioned legislation.

Before the legislature tackles health care, let's look at the Connecticut Legislature's report card. Examining the report card statistics will provide an astute presumption on the Connecticut Legislature's prowess in health care.

Any govt. is charged with four main tenets; fiscal and monetary policy, transportation (infrastructure), economic activity and pension (health and welfare benefits) funding. Let's look at your report card:

Fiscal/Monetary Policy; according to the 'Taxfoundation.org', in 2020, Connecticut ranks 2<sup>nd</sup> in highest tax per capital amongst the states.

Transportation; as disseminated by Wallet Hub for 2020, Connecticut ranked #35 in quality of roads.

Economic Activity; Kiplinger's estimates for job growth in 2019 and 2020 were 0.4% and 0.2% respectively, with the 2 previous years of economic contraction. The Bureau of Labor Statistics listed 2019 as -0.29%, job growth, with Connecticut as the 45<sup>th</sup> worst state.

Pensions; The 'Taxfoundation.org' and the Pew Charitable Trust found Connecticut's total unfunded pension liability at 54%, ranking Connecticut as the 47<sup>th</sup> worst state for unfunded pension liabilities.

Examining these four 'core competencies' of the Connecticut Legislature, any prudent person would provide a failing grade for 3 of the 4 areas. The Legislators have been charged, 'de facto', in providing an economically viable, fiscally sound run state - yet they have not. Now, with this track record, this report card, the Connecticut Legislature wants to delve into the private health insurance market? With this abysmal record the Connecticut Legislature needs to get back to basics, study harder, stay after school and enroll in remedial summer school courses. Let's get our report card back to all 'A's!

I strongly suggest getting our House in order prior to tackling the health insurance markets.

Now, let's examine the private health insurance markets. Without the govt.'s help, the private markets proposed and implemented new and progressive plans. These plans have provided substantial premium savings over the last 2-3 years; evidenced by small group premiums dropping an average of 10-40% per year and upon 2<sup>nd</sup> to 3<sup>rd</sup> year renewals, yielding compounded premium savings in the 50-75% range over similar plans. What is the State of Connecticut's projected premium savings, if S.B. 824 is implemented, over the next 2-3 years? The same 50-75%?

Moreover, every year, the Connecticut legislature proposes the same bill; open up the State's health insurance plan and the savings will be substantial. What is considered substantial? How will the State of Connecticut achieve these undisclosed results? What is the mechanism to yield premium savings? What is the financial liability for the tax payer? Who's underwriting the stop loss? How will the plan be marketed? Who's paying for the marketing? This sounds like an insurance company offering plans to the general public. Is the State of Connecticut health plan subject to the same financial and statutory requirements as every other health insurance plan in Connecticut?

Without concrete, fiscally responsible answers, you're asking the citizens to sign on the bottom line without knowing what they are purchasing; just a promise to 'trust us.' Please provide more concrete information on this bill.

Please remember, Haven Health Care, J.P. Morgan Chase, Berkshire Hathaway and Amazon's venture company formed to tackle the rising cost of health care, recently disbanded with no results. If these companies could not yield a viable solution, why would S.B. 824, which is the same old piece of legislation in a new wrapper, work? If the progressive thinking minds in Haven Health Care could not produce viable results, why would anyone presume S.B. 824 will? It won't.

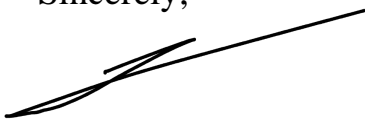
While I admire and heap praise on the Connecticut Legislators' desire to 'help bring down health insurance premiums', their mechanism for doing so is antiquated and just doesn't work. The Legislators need a paradigm shift in their thinking in order to tackle these run-away premiums. They need to focus on the true 'cost increaser' of premiums; claims! Decrease claim utilization and per unit cost and you will have your premium savings. That requires new thinking to achieve claim cost/utilization reduction. Not the old and current plans to increase a large risk pool, hoping the law of large numbers is on your side. Or to project a few percentage points of administrative savings. It doesn't work.

To illustrate a paradigm shift in thinking;

Decrease claim cost by decreasing the number one cost driver of health care costs; chronic disease. Eliminating chronic disease, not masking the symptoms on a pharmaceutical basis, will provide downward pressure on the demand for health care services and consequently decreased equilibrium price; reduce claims, reduce price (premiums). Chronic disease reduction, or chronic disease reversal can be accomplished. Currently, a plethora of companies exist in the marketplace specializing in chronic disease reversal and are yielding positive, palpable results. Incentivize health insurance plans to implement these services for their members. Get rid of chronic disease through channels that already exist. It's a simpler solution to authorize the implementation of services, which are concentrated on reducing the largest health care cost driver, chronic disease, than to implement new, costly legislation that will yield no long-term results.

I entreat you to allow the private insurance markets to continue offering new and progressive plans benefiting small employers in Connecticut. Do not thwart this effort through bureaucracy and antiquated thinking. I implore you to concentrate on the Legislature's core competencies. Return Connecticut to its former economic powerhouse status. I have faith and confidence in you!

Sincerely,

A handwritten signature in black ink, appearing to read 'David E. Wilgan', with a long horizontal line extending to the right.

David E. Wilgan