

Insurance and Real Estate Committee  
February 9, 2021  
PUBLIC HEARING  
*S.B. No. 842 AAC CONCERNING HEALTH INSURANCE AND HEALTH CARE IN  
CONNECTICUT*

Written Public Hearing Testimony  
of  
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Co-Chairpersons Lesser and Wood, Ranking Members Hwang and Pavalock-D Amato and members of the Insurance Committee, my name is Kevin Maloney and I live at 4016 Mountain Road in Suffield, Connecticut and I am the President and owner of Northeast Express Transportation, logistics and a distribution company, headquartered in Windsor Locks.

“NEXT” as we refer to it, was originally incorporated in 1954 as New Haven Mail Delivery Service and was recognized as one of the first private mail delivery service companies in the country. Today, NEXT is a diversified small business that utilizes innovative logistics solutions to help support companies in Connecticut, the United States and internationally.

I am testifying today to oppose S.B. No. 842 AAC CONCERNING HEALTH INSURANCE AND HEALTH CARE IN CONNECTICUT. I was extremely surprised that, in the middle of a major pandemic crisis, some in State Government have proposed taxing health care and creating a major new state-run government medical bureaucracy!

As someone who follows closely our health care premiums and the impact on our employees and about ability to stay competitive, I note that currently Connecticut State government assessments and benefit mandates are among the key drivers of premium costs in our state and on our businesses.

S.B. 842 would create a new state-run government health care system and recruit smaller businesses with less than fifty employees and nonprofit employers, and pool these lives with state workers and retirees under these plans funded by a tax on existing health care offered in the state.

The state government run health care system proposed under SB 842 would establish a risk fund to pay claims that exceed the premiums collected in each plan and would levy additional charges and taxes against small employers, nonprofits, and multiemployer plans to adequately fund it. If implemented, this then leaves small businesses (the same businesses it claims to help) as the financial backstop against any future deficits that this newfangled state government run health care system plan may encounter.

Coupled with the state's inability to administer a solvent municipal partnership plan for the past few years, which lost over \$30 million+ in 2019, tripling its losses from the previous year.

Connecticut taxpayers were the backstop to subsidize those losses then, and if a risk fund is created under this proposal, small businesses who opt-in to the plan will be the backstop in the future.

Small businesses in Connecticut do not need new taxes, assessments and higher healthcare premiums imposed on us by state government run health care system. We do not need a new program in Hartford that will destabilize the private marketplace and lead to higher premiums for small business owners, who then must pass it onto their employees.

We need this Committee to reject SB 842 and begin focusing in on what is driving premiums up and up.....THE COST OF HEALTH CARE!

SB 842 will bring up to \$50 million annually in new assessments to create a new general fund account through assessments against each health care plans and

healthcare centers doing business in the state, as well as insurers that administer self-insured health benefit plans.

Please do all you can to focus on value, quality and lowering the cost of healthcare, not putting new mandates, taxes and assessments on already struggling state business community. Please oppose SB 842.

Thank you for the opportunity to submit this testimony to you today.