



Deb Hutton
Senior Director, State Government Affairs

900 Cottage Grove Road, B6LPA
Hartford, CT 06152

Insurance and Real Estate Committee
Public Hearing
February 9, 2021
SB 842: AAC Health Insurance And Health Care

Chairpersons Lesser, Wood, Ranking Members Hwang, Pavalock-D'Amato, and members of the Insurance and Real Estate Committee. Thank you for the opportunity to submit testimony in opposition to SB 842: AAC Health Insurance And Health Care.

For the last 155 years Cigna has remained committed to the state of Connecticut. As the Insurance Capital of the World, we take great pride in being headquartered here. Our industry alone, with the help of our over 4600 dedicated Cigna employees, contributes over \$15 billion to the state's economy.

And yet, surprisingly, and in the face of continued economic and budgetary pressures, the legislature continues to pursue a competing government-run health care program *and* an additional \$50 million tax on the insurance industry and other businesses. The state already imposes \$100 million in annual assessments on our industry to help fund its budget. It is difficult to understand how our state intends to lower the cost of insurance, while imposing significant taxes that will inevitably be passed along to customers in the form of higher premiums.

As in previous years, the proposed public option embodied in SB 842 expands the state's government-run health care program which has continued to run budget deficits. This program, known as the Partnership Program, which includes municipalities and non-state employees, is run with little oversight or transparency. It is purposely allowed to compete against private industry on an un-level playing field as it does not adhere to same regulatory oversight or solvency requirements. In 2018, the Partnership Plan reportedly lost \$10 million. The next year, it lost three times more -- \$31.9 million.

Allowing non-state employees, such as small employers, non-profits and potentially others, to participate in a state-run health plan or the Partnership Program will also add to the state's unfunded liabilities. Over the next two years, the state deficit is projected to exceed \$2 billion, and it could be even higher due to the impact of COVID-19. Why is the state contemplating continuing down this road?

Who makes up these shortfalls? Businesses like Cigna and every other Connecticut taxpayer.

Cigna believes everyone should have access to quality and affordable health care, but the government is incapable of delivering health services at the same level as innovative, private sector companies. We have the depth of expertise amassed that the government does not possess. We know how to create and offer programs that deliver healthy and affordable outcomes for our customers.

Our industry is responsible for an extraordinary amount of statewide employment and economic activity. We need to ensure that the insurance industry remains a strong and vibrant contributor to Connecticut's economy.

For these reasons and more, we urge you to oppose SB 842.