



February 27, 2024

TO: Senator Cabrera, Representative Wood; Senator Hwang, Representative Pavalock-D Amato, and distinguished members of the Insurance and Real Estate Committee

FROM: Bruce Adams, President & CEO – Credit Union League of Connecticut

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On behalf of Connecticut's Credit unions and their nearly 1 million members, I respectfully offer testimony today **in SUPPORT of**

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**H.B. 5247 AN ACT CONCERNING EMPLOYEE HEALTH BENEFIT CONSORTIUMS**

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The credit union business model offers a unique advantage to the financial services consumer. Credit unions are cooperatives. As such, they are owned and governed by their members, and operate as not-for-profit financial institutions. Credit unions return their profits to their members mostly in the form of advantageous rates on their deposits and loans. For purposes of H.B. 5247, it is helpful to think of the credit union as a typical nonprofit entity that serves an important public mission. Simply put, credit unions exist to increase the financial independence and wellness of their members and to support the economic health of their local communities. The more money left over at year end, the more money there is to give back to the member and invest in the community.

The time has come to bring Employee Health Benefit Consortia ("EHBC") to Connecticut. EHBCs are not "Trump Era" Association Health Plans. Rather, EHBCs enhance the ability of small businesses—especially nonprofits and not-for-profits—to manage skyrocketing healthcare costs while maintaining the same level and quality of coverage that our largest employers provide to their employees. To preserve the status quo in Connecticut would allow large businesses to further entrench their market dominance by leveraging their enormous bargaining power to drive down their own healthcare costs. **Large businesses do not need the state's help to compete against their smaller counterparts** by paving the way for them to increase price pressures and

reduce competition. Not-for-profit credit unions are an excellent example of businesses who can least afford and should not be forced to subsidize cost savings enjoyed by larger employers.

Opponents will argue that this bill will encourage small employers to move their employees off the exchange while diminishing access to health insurance for others ...and provide better, cheaper coverage to their employees. They essentially argue that Connecticut's small businesses should be forced to stay on the exchange in order to keep premiums lower for other participants. **But small employers should not be forced to subsidize the exchange, nor should they be used to blunt the impact created by large employers**—the entities best able to pay—when their own large group plans pull their own employees off the exchange. H.B. 5247 ensures coverage for Essential Health Benefits, avoids the risk of discriminatory plan design, and ensures access to quality and affordable healthcare for all consumers. In other words, these plans would provide coverage equal to or better than what is offered by the exchange. Connecticut's Credit Unions support statutory guarantees to ensure financial transparency and stability, coverage for EHBs, and protections against discrimination.

Multi Employee Welfare Arrangements ("MEWAs"), such as Employee Health Benefit Consortia, have been permitted in the state of Maine since 2019. No one needs a reminder that between 2019 and today, Covid-19 swept across the world creating a pandemic that killed countless individuals, rocked businesses, and stressed healthcare systems to the breaking point. Through it all, in Maine, CU Insurance Solutions successfully provided an affordable, high quality health plan. Its employer-members were better able to weather the economic shockwaves, member-employees enjoyed more complete coverage, and the state of Maine benefitted from a healthier, more resilient workforce. In January 2022, CU Insurance Solutions provided a payment holiday to its participants which allowed them to skip 1 month of premium payments. In 2023, even though it experienced an increase of claims representing deferred elective procedures due to the Covid pandemic, CU Insurance Solutions passed this financial stress test and remained financially stable. And for 2024, CU Insurance Solutions has held rates flat. Kim Daigle, President of CU Insurance Solutions, has testified in support of the Connecticut legislation for years now. She is here today in support of H.B. 5247 and I commend her expertise and experience to this committee.

Respectfully submitted,

Bruce Adams