

February 27th, 2024

To: Insurance & Real Estate Committee

From: **Peter Kellogg, CFO, PMP Corporation**

Testimony in Support of HB 5247: AAC EMPLOYEE HEALTH BENEFIT CONSORTIUMS

Chairs Wood and Cabrera, Ranking Members Hwang and Pavalock-D'Amato, and distinguished members of the Insurance and Real Estate Committee, my name is Peter Kellogg and I write to you today to testify in **support** of House Bill 5247: An Act Concerning Employee Health Benefit Consortiums. I am the CFO of a manufacturing company based in Avon, with 55 employees.

Rising group health insurance costs and increasingly limited options are making it difficult for small businesses like mine to offer competitive benefit packages to recruit and retain employees. If passed, HB 5247 will allow my small business to band together with other small businesses to achieve economies of scale, implement value-based insurance design, maintain meaningful and substantive control over my plan's benefits and design my plan to achieve better health outcomes for my employees and their dependents.

**As a small company, I currently have no negotiating power when it comes to my health insurance renewals. My company has a May 1<sup>st</sup> renewal date and I am being told that we are going to have a 19% increase this year, but do not have any information on why that is going to happen. In order to offset continuing escalation in premiums, we have had to increase deductibles and shrink our offerings. It constantly feels as though we are victims to the whims of the market and are unable to compete with the larger players.**

Connecticut needs to be doing anything and everything to help fill more than 94,000 current job openings. Small employers like mine need to be able to offer competing benefit packages to recruit new employees and compete with larger counterparts who already have the scale to offer robust health benefit packages.

The bill is a major step forward in leveling the playing field amongst employers of all sizes, addressing the workforce shortage, and providing much-needed affordable, high quality health benefits for Connecticut workers.

Thank you for your time and consideration. I urge you to support Connecticut small businesses and pass HB 5246.

Sincerely,

**Peter Kellogg, PMP Corporation**