

Connecticut Insurance and Financial Services Cluster

Aetna
AXA-Equitable
ConnectiCare
Department of Economic & Community Development
GlobeOp Financial
The Hartford Financial Services Group
Hartford Steam Boiler Inspection & Insurance Company/AIG
ING Group
InSource, LLC
Insurity
KPMG
MassMutual Financial Group
MetLife
MetroHartford Alliance
NewAlliance Bank
Northeast Utilities
People's United Bank
The Phoenix Companies
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Prudential
Savings Bank Life Insurance
Sovereign Bank
Sun Life Financial
TD Banknorth
Travelers Companies
UBS Wealth Management
UnitedHealth Group
United Illuminating
Webster Bank
XL Insurance

Statement on Behalf of

Connecticut's Insurance and Financial Services Cluster

Regarding the Opposition of

House Bill 6600: AAC The Establishment of the SustiNet Plan
House Bill 6582: AA Establishing the Connecticut Health Partnership

Public Health; Insurance & Real Estate and Human Services Committees

Joint Hearing: March 2, 2009

A healthy Connecticut population is smart business. No one will argue that Connecticut's economic health is tied to the wellness of its citizens. Our vitality is our ability to sustain business, to grow current and future workforce, and to compete in the global marketplace.

Like many other states; however, we grapple with an outdated health care delivery system. We recognize the need to provide health coverage choices for all residents. We know that preventive and wellness care are paramount to sustainable health. We need to keep coverage affordable.

Connecticut has a strong foundation in healthcare. Connecticut's health plans are second highest ranked in the U.S. for quality, access and customer satisfaction (US News/NCQA). We also have the 3rd highest percentage of employer provided insurance in America (Kaiser Foundation). There have been multiple healthcare reform proposals developed for Connecticut within the last two and a half years. These proposals are generally sound in their intent, but have fundamental weaknesses. To adopt *any* in their *entirety* would be detrimental to the health of our state.

For example, one component to the SustiNet Plan [HB 6600] is a type of pay or pay system requiring employers and employees to either pay into the system or suffer fiscal and public penalties. An effective, enforceable individual mandate may be a better solution. The Plan also calls for the creation of the 'SustiNet Authority'. As we stand amidst a fiscal budget crisis, is this really the time to create another state bureaucracy? Additionally this bureaucracy would not have to comply with Connecticut protective health insurance laws. Consistent regulation is an effective means of protecting the consumer.

Similarly, a recommendation of The Connecticut Health Partnership [HB 6582] suggests expansion of the state's insurance health plan to non-state public employers, municipal-related employers, and small employers. The state's plan is already too rich and expensive. If we really want to increase access to affordable healthcare, than this is the wrong strategy.

In comparison, The HealthFirst Connecticut Authority recently voted out its own report last week. While there was a lack of financial data to accompany the

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report, an ambiguous reference to “pooling” and lack of clarity around a few key concepts, the report did include several meaningful recommendations for your consideration:

- Increased use of electronic medical records
- Promoting greater transparency in health care data collection and dissemination
- Promoting wellness, prevention and chronic disease management, and
- Incorporating value-based designs into both public and private plans

Elements of the Connecticut Healthy Steps Program also make sense:

- A focus on building healthy lifestyles
- Formalizing the utilization of tax credits as employer incentives
- A study on the impact of mandates on private employer’s premiums
- A study to define eligibility for individual mandates

The Connecticut IFS Cluster understands that *today* we need to make a decision on Connecticut’s healthcare reform. We agree to focus on a solution that meets the demands and needs of both our state residents and employers. We recognize that economic wealth and resident health go hand in hand. Given these facts, HB 6600 and HB 6582 cannot be supported. We urge you to reject the bills as written.

Thank you.

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