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Written Testimony
Comptroller Kevin Lembo
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**SB- 1004 AN ACT CONCERNING PUBLIC INSURANCE OPTIONS FOR SMALL
BUSINESS EMPLOYEES**

Good morning Senator Kushner, Representative Porter, Senator Miner, Representative Polletta and member of the Labor and Public Employees Committee. Thank you for the opportunity to testify in support of SB-1004 An Act Concerning Public Insurance Options for Small Business Employees.

Somewhere in Connecticut, there's a young worker with a big idea that they want to chase – something that could change their world or ours – but for now, they're forced into a cubicle because it may be their only way to access health care.

As the state's former healthcare advocate, I've seen this story play out a time or two – dreams set aside and lives put on hold indefinitely and squandered because our health care market is broken. As the state comptroller, I administer the state health plan on behalf of approximately 200,000 lives, including state employees, retirees and all of their dependents – and I'm here to tell you that we can expand the success of the state plan beyond the walls of government and make certain that no opportunities are left on the table.

Connecticut small businesses employ over 700,000 people – almost half the state's workforce – and yet less than half of small businesses offer health insurance benefits to their employees, a 26-percent decline since 2008, according to the Employee Benefit Research Institute (EBRI). Many of those who have coverage face outrageous deductibles and premiums.

This means that at least a quarter of our workforce has no access to health care in the workplace, even though 82 percent of employees say that health insurance is 'very' or 'extremely important' when choosing to stay with their current company versus searching for a new job, according to the EBRI.

How can Connecticut possibly grow its economy when it can't attract workers with affordable quality health care options? And how can our workforce possibly be productive when employees

have no clue how they or their family will make ends meet if they face illness or injury (and everyone does at some point).

I'm proud of the work that I've done as administrator of the state health plan to deliver the best health care at the best price. When compared to the broader commercial market, our plan has benefited from below-average cost trends, and we've done that while bringing people closer to high-quality care. Why? Because when we give people access to life-changing and lifesaving care as early as possible, we all win in the form of a healthy productive workforce and lower health care costs over time.

I'm grateful that we've been able to do this for the state plan – but none of us entered public service to say 'I've got mine.' This legislation would allow us to extend the successes of the state plan – high-quality health care coverage at the best price – to more Connecticut residents, beginning with small businesses and their employees.

A Public Option would open the state health plan to all small businesses and non-profits (those employers with 50 employees and under) so that businesses can begin offering quality and affordable health care coverage to their employees. Here's how it would work:

- The state currently already offers small group insurance to non-state public employees, including towns and cities across Connecticut, where employees are able to enjoy the benefits of the state employee plan.
- This legislation would extend that opportunity beyond public employers, allowing small businesses and nonprofits in Connecticut to join if they choose.
- This legislation would allow the state to administer multiple plan designs so that employers can select an option with the right balance between cost and coverage.
- All plans will include the Health Enhancement Program (HEP), creating opportunities for employees to seek preventive care services at no additional cost and avoid deductibles if they enroll.
- The state employee health plan, because of its size, has a more stable risk pool with low administrative costs. This has allowed the state to seek minimal premium increases compared to other small group plans.