



Susan Bysiewicz
SECRETARY OF THE STATE
CONNECTICUT

**Testimony of Secretary of the State Susan Bysiewicz
Labor & Public Employees Committee
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Good Afternoon Chairman Prague, Chairman Ryan and members of the Labor & Public Employees Committee. For the record, my name is Susan Bysiewicz and I am the Secretary of the State. Thank you for the opportunity to testify before you today regarding a very important bill on your public hearing agenda.

Specifically, I strongly support **H.B. #5536: An Act Establishing the Connecticut Healthcare Partnership** and urge its passage.

Majority Leader Donovan has been a champion of affordable health care coverage, and I commend his leadership in developing the Partnership proposal which would open the state employee health insurance pool to municipal employees, small businesses with 50 employees or less, and non-profit organizations on a voluntary basis.

As many of you know, the Secretary of the State of Connecticut serves as the state's Chief Business Registrar. Throughout my tenure, I have worked to assist and enhance our state's small and minority businesses, recognizing the fact that for the past 10 years, 96 percent of new job growth in Connecticut has been created by businesses of 50 or fewer employees.

At my office's Small and Minority Business Showcases, Small Business Roundtables and other programs, I have consistently heard from small business owners that they can no longer afford to provide health insurance coverage for themselves or their employees. These small business owners also indicate that a variety of programs meant to assist them in accessing affordable health insurance are often too costly and out of their reach.

While we know that most small business owners want access to affordable health insurance, we also know that employers are frequently forced to drop coverage for employees, shift costs to workers through higher health care contributions and deductibles, and cutback on raises and new hires due to the spiraling costs of health care. These same rising costs have also forced many small business employers to simply go out of business.

Nationally and in Connecticut, elected officials and others continue to explore long-term solutions to repair a broken health care system and to provide universal, affordable care to our families, children, seniors and others in need. Given the feedback Majority Leader Donovan, other legislators, and I have heard during recent business roundtables around the state, however, it is imperative that we provide relief now to small businesses - particularly during these challenging economic times. H.B. #5536 is

an opportunity to offer that immediate support and make a difference for struggling businesses and their employees.

Several important studies confirm what I have heard from small business owners and others across the state.

The Health Insurance Policy Council in its 2007 report “A Framework for Health Care Reform for Connecticut” cites that 52.2% of uninsured workers and dependents are in firms with less than 50 employees which confirms that a large part of Connecticut’s uninsured population is found with small employers.

The Universal Health Care Foundation of Connecticut also released a survey entitled “Small Business Health Care Network Survey 2006”. Among their findings, 95% of Connecticut small business leaders believe that providing health care coverage is an important issue. More than half (52%) named it as among their top business challenges.

More importantly, the survey found that the lack of affordability prevented firms from offering Employer Sponsored Health Insurance (ESI) and that the cost will need to decrease for them to offer ESI in the future. Most small business owners (80.4 percent) believe that all persons in the United States should have access to health care, regardless of their ability to pay. And most of the businesses, 78% in our state, that didn't offer employee health insurance cited un-affordability as the reason. Yet, 80% of those businesses wanted to be able to provide affordable health insurance.

Both the Universal Health Care Foundation of Connecticut and the Health Insurance Policy Council agree that the lack of affordable health insurance for small business owners is a priority that needs to be addressed.

A more recent November 2007 report titled “The Erosion of Employment-Based Insurance” by the Economic Policy Institute found that the decline in employer-sponsored health coverage is more severe in Connecticut than nationally.

Specifically, the percentage of Connecticut residents under 65 with employer-provided health insurance has decreased approximately 5 percentage points over the last few years. Since we all share the mutual goal of helping small businesses expand their business and create more jobs for Connecticut, a comprehensive and thoughtful approach to making health insurance more affordable for small businesses would drastically reduce the number of uninsured residents in the State of Connecticut.

Once again, thank you for the opportunity to testify before you today and I am available if you have any questions. I look forward to working with this Committee and the entire General Assembly to win passage of this very important proposal. My office also stands ready to provide this Committee with any more specific small business information that it may need as it considers H.B. 5536.