

**Act Number:** 09-126

**Bill Number:** 5669

✓ **Senate Pages:** 4531-4532, 4794-4796

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**House Pages:** 1350-1357

8-

**Committee:** Insurance: 315-320, 356-357, 576-583

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**Page Total:**

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**CONNECTICUT  
GENERAL ASSEMBLY  
SENATE**

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caucuses to help prepare the go list to be marked.

THE CHAIR:

The Senate will stand in recess subject to the call of the chair. We'll see you this evening.

On motion of Senator Looney of the 11th District, the Senate, at 2:34 p.m., recessed.

THE CHAIR:

The Senate will come back to order.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President, to mark calendar items and we'll be marking action items either go, consent or PT at this point. The first item, Mr. President, is on Calendar page 2, Calendar 226, Senate Bill 664, if that item might be marked pass temporarily.

THE CHAIR:

Without objection, so ordered.

SENATOR LOONEY:

Thank you, Mr. President. Calendar page 4, Calendar 401, House Bill 5669, Mr. President, I would like to move to place that item on the Consent

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Calendar.

THE CHAIR:

There is a motion on the floor to place the item on Consent. Without objection, so ordered.

SENATOR LOONEY:

Thank you. Thank you, Mr. President. Mr. President, Calendar page 5, Calendar 412, Senate Bill 931 is marked go. Calendar page 5, Calendar 456, House Bill 5019 is marked go. Calendar page 7, Calendar 532, House Bill 6448, Mr. President, I would move to place that item on the Consent Calendar.

THE CHAIR:

Motion on the floor to place this item on Consent. Seeing no objection, so ordered.

SENATOR LOONEY:

Yes, thank you, Mr. President. Calendar page 8, Calendar 580, House Bill 6531 is marked go. Continuing on Calendar page 8, Calendar 582, House Bill 5436 is marked go. Also Calendar page 8, Calendar 589, House Bill 5433 is marked go. Turning to Calendar page 9, Calendar 597, House Bill 6114 is marked go. Continuing on Calendar page 9, Mr. President, Calendar 600, House Bill 5635 is marked go.

Turning to Calendar page 10, Calendar 605, House

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SENATOR GAFFEY:

Mr. President, if there's no objection I'd ask that the bill be moved to the Consent Calendar.

THE CHAIR:

The Senator has requested that the bill be placed on the Consent Calendar. Seeing no objection, so ordered sir.

Senator Looney.

SENATOR LOONEY:

Thank you, Mr. President. Mr. President we had one item previously placed on the Consent Calendar that I would move now to remove from the Consent Calendar and to mark it pass temporarily. And that was Calendar page 8, Calendar 582, House Bill 5436.

THE CHAIR:

There's a motion on the floor to remove an item from the Consent Calendar and to PT it. Without objection, so ordered.

SENATOR LOONEY:

Yes, thank you Mr. President. Mr. President, if the Clerk might now call the items on the Consent Calendar.

THE CHAIR:

Mr. Clerk please call Consent Calendar Numero

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Uno.

THE CLERK:

Immediate roll call has been ordered in the Senate on the Consent Calendar. Will all senators please return to the chamber. Immediate roll call has been ordered in the Senate on the Consent Calendar. Will all Senators please return to the chamber.

Mr. President the first Consent Calendar begins on Calendar page 1, Calendar 681, House Joint Resolution Number 121; Calendar page 4, Calendar Number 401, Substitute for House Bill 5669; Calendar page 5, Calendar 456, Substitute for House Bill 5019; Calendar page 7, Calendar 532, House Bill 6448; Calendar page 8, Calendar 8 -- correction, Calendar 580, Substitute for House Bill 6531; Calendar page 9, Calendar 597, Substitute for House Bill 6114; Calendar Number 600, House Bill 5635; Calendar page 10, Calendar 605, Substitute for House Bill 6200.

Calendar page 14, Calendar Number 644, House Bill 6391; Calendar 650, Substitute for House Bill 6540; Calendar page 16, Calendar 657, House Bill 6541; Calendar page 29, Calendar 330, Substitute for Senate Bill 954; and Calendar page 34, Calendar Number 504, Substitute for Senate Bill 939.

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Mr. President that completes those items placed on the first Consent Calendar.

THE CHAIR:

Mr. Clerk, please call the Consent Calendar again, the machine will be open.

THE CLERK:

The Senate is now voting by roll call on the Consent Calendar. Will all senators please return to the chamber. The Senate is now voting by roll call on the Consent Calendar. Will all senators please return to the chamber.

THE CHAIR:

Have all senators voted? If all senators have voted please check your vote. The machine will be closed. The Clerk will call the tally.

THE CLERK:

Motion is on adoption of Consent Calendar Number 1.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

/ Consent Calendar 1 passes.

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**CONNECTICUT  
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call. Members to the chamber. The House is voting by roll call. Members to the chamber please.

DEPUTY SPEAKER McCLUSKEY:

Have all the members voted? Have all the members voted? Will the members please check the board to determine whether your vote is properly cast. If all the members have voted, the machine will be locked and the Clerk will please take the tally. Clerk, please announce the tally.

THE CLERK:

House Bill Number 5297.

Total Number Voting	143
Necessary for Passage	72
Those voting Yea	140
Those voting Nay	3
Those absent and not voting	8

DEPUTY SPEAKER McCLUSKEY:

The bill passes.

Will the Clerk please call Calendar Number 75.

THE CLERK:

On page 2, Calendar 75, substitute for House Bill Number 5669, AN ACT CONCERNING EMPLOYER HEALTH INSURANCE PREMIUM PAYMENTS FOR TERMINATED EMPLOYEES, favorable report of the Committee on Insurance and

Real Estate.

DEPUTY SPEAKER McCLUSKEY:

Representative Fontana of the 87th.

REP. FONTANA (87th):

Thank you, Mr. Speaker. Mr. Speaker, I move for acceptance of the Joint Committee's favorable report and message of the bill.

DEPUTY SPEAKER McCLUSKEY:

The question before the Chamber is acceptance of the Joint Committee's favorable report and passage of the bill. Representative Fontana, you have the floor.

REP. FONTANA (87th):

Thank you, Mr. Speaker. Mr. Speaker, this bill permits an employer to stop paying group health insurance premiums related to an employee and his or her dependents 72 hours after that employee quits or is terminated if that employer elects to do so in a manner that satisfies the bill's provisions. The bill does not apply if, one, an employee is laid off or, two, a collective bargaining agreement requires an employer pay an employee's insurance premiums after his or her termination. Mr. Speaker, the Clerk has an amendment, LCO 5425. I ask that he call it and I that receive permission to summarize.

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DEPUTY SPEAKER McCLUSKEY:

Will the Clerk please call LCO 45 -- 5425, and will it please be designated House Amendment Schedule A.

THE CLERK:

LCO Number 5425, House Amendment Schedule A,  
offered by Representatives McCluskey and Olson.

DEPUTY SPEAKER McCLUSKEY:

The Representative seeks leave of the Chamber to summarize the amendment. Is there objection? Is there objection? If not, Representative Fontana you have the -- you may proceed with summarization.

REP. FONTANA (87th):

Thank you, Mr. Speaker. Mr. Speaker, this amendment is technical in nature in that it modifies or clarifies a particular wording to suit the rest of the proposed statute, the bill. I move for its adoption.

DEPUTY SPEAKER McCLUSKEY:

The question before the Chamber is adoption of House Amendment Schedule A. Will you remark? Will you remark? If not --

REP. CAFERO (142nd):

Mr. Speaker. Mr. Speaker, excuse me.

rgd/med  
HOUSE OF REPRESENTATIVES

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April 7, 2009

DEPUTY SPEAKER McCLUSKEY:

Excuse me. I apologize, Representative Cafero.

REP. CAFERO (142nd):

Thank you, Mr. Speaker. I don't think this side of the aisle has the amendment before it. Could we hold up?

DEPUTY SPEAKER McCLUSKEY:

Will the House please stand at ease until the other side of the aisle has a copy of the amendment.

REP. CAFERO (142nd):

Thank you.

Chamber at ease.

DEPUTY SPEAKER McCLUSKEY:

Will any -- will you please remark further on this amendment? Will you remark further? If not, I'll try your minds. All those in favor of House A, please signify by saying, aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER McCLUSKEY:

All those opposed, nay.

The ayes have it. The amendment is adopted.

Will you remark further?

REP. FONTANA (87th):

Thank you, Mr. Speaker. Mr. Speaker, briefly, this bill has been before us in substantially similar form the last couple of years. Essentially, what it tries to do is relieve some of the burdens, particularly on small businesses, of some of their health-care costs. By convention or tradition or common practice, many large employers do not have to worry about paying for the health insurance premium of employees who voluntarily leave their employ.

Unfortunately, that's not often the case with small businesses. This seeks to rectify that situation by statute. We've worked with relevant parties, the department and others to work on the language. We believe it's a good bill, and we ask for the Chamber's support. Thank you.

DEPUTY SPEAKER McCLUSKEY:

Thank you, Representative. Will you remark further? Representative D'Amelio of the 71st.

REP. D'AMELIO (71st):

Thank you, Mr. Speaker. Mr. Speaker, I rise in support of this bill. Given the economic times that we are in today, this bill is welcomed by all small

businesses that employ 50 or less people, the mom-and-pop businesses of our state. So I urge everyone's adoption of this bill. Thank you.

DEPUTY SPEAKER McCLUSKEY:

Thank you, Representative.

Representative Urban of the 43rd.

REP. URBAN (43rd):

Thank you, Mr. Speaker. It's nice to see you up there, Mr. Speaker. I would like to thank Representative Fontana, the Insurance Committee, for bringing this bill forward. I have been trying to get this bill done, and I think that this is really the time to do it. In the situation that we face now, Mr. Speaker, with the economy not in the best of form and we want the small businesses of the state of Connecticut to know that we appreciate them, that we want to reach out to them and that we want to do everything possible to allow them to continue to grow and prosper. So I would also urge my colleagues to vote in favor of this bill. Thank you, Mr. Speaker.

DEPUTY SPEAKER McCLUSKEY:

Thank you, Representative Urban. Will you remark further on the bill as amended? Will you remark further on the bill as amended? If not, will staff

and guests please come to the well of the House. Oh, excuse me. Representative Conway of the 61st.

REP. CONWAY (61st):

Thank you, Mr. Speaker. As a small business owner for over 20 years in the state of Connecticut, in the north-central district of Connecticut, and a member of numerous chambers throughout the state of Connecticut, I fully support this bill and that we're, as a group, recognizing the need to support small businesses in the state of Connecticut as they drive this economy. Thank you.

DEPUTY SPEAKER McCLUSKEY:

Thank you, Representative Conway. Have all members commented on this bill? Will you remark further? If not, will staff and guests please come to the well of the House. Will the members please take your seats. The machine will be open.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is voting by roll call. Members to the chamber, please.

DEPUTY SPEAKER McCLUSKEY:

Have all the members voted? Have all the members voted? Will the members please check the board to

determine whether your vote is properly cast. If all the members have voted, the machine will be locked and the Clerk will take a tally. Will the Clerk please announce that tally?

THE CLERK:

On House Bill Number 569 -- 5669 as amended by House A.

Total Number Voting	143
Necessary for Passage	72
Those voting Yea	143
Those voting Nay	0
Those absent and not voting	8

DEPUTY SPEAKER McCLUSKEY:

The bill as amended is passed. Will the Clerk please call Calendar Number 208.

THE CLERK:

On page 14, Calendar 208, substitute for House Bill Number 5930, AN ACT REQUIRING SMALL BUSINESS IMPACT ANALYSES FOR PROPOSED REGULATIONS, favorable report of the Committee on Commerce.

DEPUTY SPEAKER McCLUSKEY:

Representative Berger of the 73rd.

REP. BERGER (73rd):

Thank you, Mr. Speaker. I move for acceptance of

**JOINT  
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**INSURANCE AND  
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mandate, do you know?

DANNY LEMOS: Patricia Lang who works with -- well, she's the director of the blood department with the State of Rhode Island, she'll be up here and she could give you that information.

SENATOR HARTLEY: Thanks very much. Thank you, Mr. Chair.

SENATOR CRISCO: Thank you.

Any other questions? Any other questions?

Thank you so much for your testimony, Danny.

DANNY LEMOS: No problem.

SENATOR CRISCO: We'll proceed now to House Bill 5669. No public members speaking on 5669?

We'll proceed to Jonathan. Is Jonathan here? Okay.

JONATHAN DUNCKLEE: Good afternoon, Insurance and Real Estate Commission, I'm Jonathan Duncklee, vice president of Duncklee, Inc. We're a small heating and air conditioning business located in Stonington, Connecticut, and currently we employ nine people. I'm also a member of the Chamber of Commerce of the Southeastern Connecticut Government Affairs Committee and have the support of the committee, including Tony Sheridan.

My father, Les Duncklee, the company's president, started our business in 1973 out of his home and since then we've been as large as 35 employees. Today I'm here to ask for your assistance in helping small business owners in the State of Connecticut remain competitive to retain and hire quality employees. We have

had employees abruptly quit and found out that we have had to pay their health insurance premium for the whole month even though they were not employed by us. This amount for a family can reach \$1,000.

In December 2004 I began my efforts to find out why this policy is in place and began writing to Cliff Slicer and Lois Demara of the State of Connecticut Insurance Department. The insurance commission was polite, responded with information from the insurance company that basically stated that we are responsible for the employees' insurance premium until the end of the month. If we had more than 50 employees we would not be responsible for the full month's premium if the employee was terminated or quit, they would begin Cobra that day. I was unsuccessful with the insurance department asking that they have this policy changed to help small business owners. Why are small business owners penalized by health insurance companies in Connecticut? Why do small businesses have to pay the premiums of employees that are not employed by them? Business owners with more than 50 employees are not subject to premium payments after the employee is terminated. The employee has the option to begin Cobra the day they leave so they'll be covered with health insurance. The company does not have to pay the additional days of the month. A business with under 50 employees has to pay up to one whole month of an employee's health care benefits if they quit, get fired, arrested, anything. Does this make sense? Is this a message to small business owners that may want to continue conducting business in Connecticut? Each month the insurance company invoices the over 50 employee size companies in arrears. This allows for adjusting the monthly premiums when the employee is

terminated in the middle of a billing cycle. Each month the insurance company invoices the under 50 employee size companies in advance. If the employee is terminated in the middle of the month then the following month's bill should be adjusted and credited. This can be done simply by calculating a daily insurance cost per employee which is already done with the larger companies. When new employees come on and off the insurance plan, adjustments are made to add and to remove them on a full month's basis instead of prorating them by the day like the over 50 employee's companies do. With your support this is an excellent opportunity for Connecticut to retain and keep small businesses from leaving the state to relocate to where the cost of doing business is significantly less. I urge you to give this support as well as thousands of small business owners in Connecticut. Together we can help Connecticut to become a more business friendly state. Please approve this initiative for all small business owners with fewer than 50 employees in Connecticut to be treated fairly and to be able to operate efficiently and competitively. Thank you.

SENATOR CRISCO: Thank you so much.

Do you have any questions? Any questions?

Senator Hartley, how nice to have you here today.

SENATOR HARTLEY: Are you telling me to go home.

Thanks very much for your testimony. Have we seen this proposal before? Has this been before us? It has.

Are you working on this issue with any of your colleagues or any association you might be

llw INSURANCE AND REAL ESTATE COMMITTEE 1:00 P.M.

part of, you know, being a small business, I don't know that you're a member of CBIA.

JONATHAN DUNCKLEE: Yes, we are a member of CBIA to get health insurance, and I'm also a member of the legislative committee with a chamber in southeastern Connecticut and the Connecticut Heating and Coolers Contractors Association is aware of it and the NFRB is now aware of it.

SENATOR HARTLEY: So they are aware of it. Are they putting this on their legislative agenda to -- I mean, we're talking a lot this year about, you know, relief and that kind of thing. Small business is crucial in this whole discussion of our economy. Are you working to make that part of a platform other than you taking the afternoon off to be here so that you get some legs on this thing?

JONATHAN DUNCKLEE: Yes, I'm working with them to get their commitment.

SENATOR HARTLEY: Better hurry up. Thanks.

JONATHAN DUNCKLEE: Thank you.

SENATOR CRISCO: Thank you, Senator Hartley.

Representative O'Connor?

Any other questions for Jonathan? Thank you very much.

JONATHAN DUNCKLEE: Thank you.

SENATOR CRISCO: Susan Halpin. Susan Halpin. If not, we will -- are you here, Susan?

SUSAN HALPIN: I'm here. I'm here but not necessarily ready. Sorry, I thought we were still in the public. I just came in. I

apologize.

Senator Crisco, Representative Fontana, members of the committee, my name is Susan Halpin and I'm here on behalf of the Connecticut Association of Health Plans. Our testimony that we submitted to you today is in opposition of this bill. However, I will say that we have worked on this legislation in the past and we would welcome the opportunity to work on it in the future. I don't have all my notes available at the present time based upon our previous conversations but there are some just difficulties in terms of logistics in terms of how Cobra applies, how different benefits -- just basically how you just administer this type of arrangement when usually it happens on a monthly cycle to that extent. So we have concerns about it from a consumer perspective in terms of members getting access to Cobra on an ongoing basis, and we hope that we could just continue the dialogue with you as this bill moves forward. Sorry I'm kind of abrupt.

SENATOR CRISCO: Thank you, Susan.

Any questions of Susan?

Representative Fontana.

REP. FONTANA: Thank you, Chairman. Susan, sorry for the discombobulation. It is all my fault.

SUSAN HALPIN: No, no, I apologize, I just walked in.

REP. FONTANA: My recollection is that we got this bill at a committee in the past and so we would welcome your help. I think that Mr. Duncklee just testified this is a problem that really is hitting small businesses

unfairly and which in theory should require minimal problem for companies. So we would like to maybe see if there is a way we can, if there is an issue we'll try to address it, but I think he's got a really strong point here and we've tried to address it in the past, and I think there is a lot of people who would like to see this addressed.

SUSAN HALPIN: And I appreciate your comments and we will be happy to work with you. As I said, it's really not a matter of intent, it's a matter of logistics from our point of view so I'd be happy to work with you.

REP. FONTANA: Good, thank you.

Thank you, Mr. Chairman.

SUSAN HALPIN: Thank you.

SENATOR CRISCO: Thank you. Any other questions for Susan? Thank you very much.

Christine Cappiello. Christine Cappiello here?

If not, Senator McKinney. Senator McKinney? Senator McKinney.

SENATOR MCKINNEY: I feel like I'm in school and I. Did something wrong.

SENATOR CRISCO: No, we were informed that you would like to testify on the bill so --

SENATOR MCKINNEY: We do but -- thank you, Mr. Chairman, if you could invite Representative Drew and let him go because he introduced the bill and I'm here to support him.

**JOINT  
STANDING  
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**INSURANCE AND  
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llw INSURANCE AND REAL ESTATE COMMITTEE 1:00 P.M.

I would add that the NCOIL model that has recently been developed does not have this restriction and that was negotiated over a long period of time, as the Chairman knows, by all interested parties, so we think this is unnecessary and, if anything, premature.

I'd be happy to answer any questions.

SENATOR CRISCO: Thank you, Brian. Any questions?  
Thank you very much.

We're now at the bewitching hour of 3:00 o'clock for legislative agencies and municipalities. And Comptroller Wyman on 5669, I believe.

NANCY WYMAN: Yes, sir. Good afternoon, Chairman Crisco, Chairman Fontana, Senator Caligiuri and the rest of the distinguished members of the Insurance and Real Estate Committee. For the record, I am state comptroller, Nancy Wyman, and I appreciate the opportunity to testify on House Bill 5669, An Act Concerning Employer Health Insurance Premium Payments for Terminated Employees.

I'd like to thank the Chairman for raising the bill and, of course, I understand that Jonathan Duncklee has left, but I want to thank him for bringing the issue forward. Mr. Duncklee came and met with me about two years ago to talk about the problems that small businesses are having when an employee is terminated or chooses to leave. This seemed to be an unfair bill. It seemed to me an unfair thing because it seemed like large companies get their premium back right away where small companies, small businesses, had to continue the payments and keep the employee on which I thought it was unfair. And I know you had a busy day today, but I just I have

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one recommendation, one change to the language of this bill.

As currently drafted, the bill provides for the employer's credit to be applied upon the subsequent renewal as such small business a small group policy. Typically renewals are on an annual basis, and I believe that it should be clarified to provide for the credit on the next month's premium in the same manner as large employers do. Our small businesses should not have to wait months for their reimbursement, especially now. This is a bad economy and we're not going to be able to do a lot this year because of the economy, but this is one thing I think that can help small businesses.

So I want to thank you for allowing me to testify today, and please get home safely because it is snowing out.

SENATOR CRISCO: Thank you, Madam Comptroller.

Are there any questions? Any questions?

NANCY WYMAN: Thank you all very much.

SENATOR CRISCO: Thank you very much.

Representative Urban. She's not here. So we will proceed when she comes in we'll go back to proposed Senate Bill 290.

Representative Morin here?

REP. MORIN: Good afternoon, Representative Fontana, Senator Crisco and distinguished members of this committee. May I ask, Mr. Chairman, I'm here on two separate bills, am I allowed to talk only for one at a time; is that how you're doing this?

HB 5023



CONNECTICUT

TESTIMONY OF  
NATIONAL FEDERATION OF INDEPENDENT BUSINESS  
BY  
ANDY MARKOWSKI, CONNECTICUT STATE DIRECTOR  
IN SUPPORT OF  
HB-5669, AAC CONCERNING EMPLOYER HEALTH INSURANCE PREMIUM PAYMENTS  
FOR TERMINATED EMPLOYEES  
BEFORE THE INSURANCE & REAL ESTATE COMMITTEE  
FEBRUARY 3, 2009

The National Federation of Independent Business (NFIB) supports HB-5669, An Act Concerning Employer Health Insurance Premium Payments For Terminated Employees.

A non-profit, non-partisan organization, NFIB is Connecticut's and the nation's leading small-business advocacy association. In Connecticut, NFIB represents thousands of small- and independent- business owners and their workers involved in all types of industry. In short, NFIB represents the small, "Main Street", "Mom & Pop" business owners from across our state. On behalf of those small- and independent- employers in Connecticut, I urge you to support HB-5669.

Though each small business is distinct and makes its own unique contribution to Connecticut's economy, there is one thing all small-business owners have in common: A serious concern about affordability of health insurance premiums. HB-5669 would go a long way to help alleviate some of the pressures faced by small business owners relative to being forced to make those premium contributions on behalf of employees in certain situations where an employee has left the small business.

Since 1986, NFIB members have said that healthcare costs are their No.1 concern. During this past presidential election, a national survey conducted by NFIB confirmed that healthcare remains a top issue in voters' minds. Small businesses are not only disproportionately impacted by rising healthcare costs, but also often by the various laws and regulations dealing with employer-sponsored health insurance.

When it comes to healthcare costs, any relief afforded small businesses is welcome, but in particular, *measures such as HB-5669 will go a long way to demonstrating to small business owners that they are being treated fairly* in this regard

NFIB therefore urges lawmakers to pass HB-5669. Thank you.

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Christina A. Cappiello  
Director  
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Anthem. 

February 3, 2009

5669

Statement  
Of  
Anthem Blue Cross and Blue Shield  
On

HB 5669 An Act Concerning Employer Health Insurance Premium Payments for Terminated Employees

Good afternoon Senator Crisco, Representative Fontana and members of the Insurance Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in Connecticut. I am here to speak on HB 5669 An Act Concerning Employer Health Insurance Premium Payments for Terminated Employees.

As the largest health plan in Connecticut, with more small and large employers than any other health plan in Connecticut, we understand that paying premium for individuals who have been terminated from their employment is an area of concern for the employer community and we believe this legislation does achieve that goal. We would offer one suggestion as you deliberate this legislation, in line 16 and 17, where the insurer is required to disclose to the employer the employee's portion of the credited premium, we do not capture the employee's cost share of the policy. In an employer/employee health insurance situation, we only have access to the total premium that is paid to us for all employees; we don't know or capture how much the employee pays versus how much the employer pays. We would suggest that any reference to the health insurer disclosing that information be removed from the legislation.

Thank you again for the opportunity to speak to you today and I welcome any questions you might have.

5669



*Quality is Our Bottom Line*

**Insurance Committee Public Hearing  
Tuesday, February 3, 2009**

**Connecticut Association of Health Plans**

**Testimony in Opposition to**

**HB 5669 AAC Employer Health Insurance Premium Payments for Terminated Employees.**

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of HB 5669 AAC Health Insurance Premium Payments by Employers for Terminated Employees.

This bill would require that health plans remit premium payment to employers for an employee that is terminated or voluntarily leaves employment after the date of their departure. Legislation of this nature would pose a number of problems in the administration of health insurance. First, insurers don't often receive this type of information on a timely basis. In addition, there are cost sharing arrangements between employees and their employers that factor into the purchase of coverage and would have to be factored into any type of remittance. Perhaps most importantly, however, the proposal could potentially interfere in the administration of COBRA benefits making it difficult to determine when the benefit would begin and what the employee's responsibility would be. If the employee experiences a gap in coverage as a result, it could impact their ability to get coverage on an ongoing basis. At a time when the legislature is struggling to keep people insured, we believe this bill goes in the wrong direction and we would respectfully urge your rejection.

Thank you for your consideration.

Duncklee, Inc.  
296 Taugwonk Rd  
Stonington, CT 06378

5669

February 03, 2009

Good afternoon Insurance & Real Estate Commission

I am here in support of HB 5669: **AN ACT CONCERNING EMPLOYER HEALTH INSURANCE PREMIUM PAYMENTS FOR TERMINATED EMPLOYEES.**

**COMPANY HISTORY:**

I am Jonathan Duncklee, Vice president of Duncklee, Inc. We are a small heating and air conditioning business located in Stonington and we currently employ 9 people

My father, Les Duncklee, the company's president, started the business in 1973 out of his home and since then we have been as large as 35 employees

Les Duncklee always prided himself on providing a substantial benefit package for his employees and their families, including health care, dental, short term disability, life insurance, retirement, flexible work schedules, financial planning, and company sponsored events, etc

When insurance was affordable, our company paid the whole premium

Unfortunately, as you know, health care costs have soared out of sight and we anguished over having our employees contribute to there health insurance premiums. However, in order to provide benefits to them; we began to require them to pay a percentage of the cost.

With increasing energy costs, health insurance costs, workers comp costs, property tax increases we are challenged to survive as a small business

**INSURANCE DILEMA:**

Today I am here to ask for your assistance in helping small business owners in the State of Connecticut remain competitive to retain and hire quality employees

We have had employees abruptly quit and we found out we had to pay their health insurance premium for the whole month even though they were not employed by us This amount for a full family can reach \$1,000!

In December 2004 I began my efforts to find out why this policy is in place and began writing to Cliff Slicer and Lois Desmarais with the State of Connecticut Insurance Department.

I have submitted to you all my efforts to resolve this matter with the insurance commission. The file number is 410382.

The Insurance Commission was polite and responded with information from the insurance company that basically stated that we are responsible for the employee's insurance premium until the end of each month. If we had more than 50 employees we would not be responsible for the full month's premium if the employee was terminated or quit. They would begin COBRA that day.

I was unsuccessful with the Insurance department asking they have this policy changed to help all small business owners.

Why are small business owners penalized by health insurance companies in Connecticut?

Why do small businesses have to pay the premiums of employees who are not employed by them?

Business owners with more than 50 employees are not subject to premium payments after the employee is terminated. The employee has the option to begin COBRA the day they leave so that they will be covered by health insurance. The company does not have to pay the additional days of the month.

A business with under 50 employees has to pay up to one whole month of an employees health care benefits if they quit or get fired or even if they have been arrested for stealing from the company.

Does this make any sense to anyone? Is this a message to small business owners that may want to continue conducting business in Connecticut?

#### INSURANCE BILLING:

Each month the insurance company invoices the over 50 employee sized companies in arrears. This allows for adjusting the monthly premium when the employee is terminated in the middle of a billing cycle.

Each month the insurance company invoices the under 50 employee sized companies in advance. If an employee is terminated in the middle of a month, then the following month's bill should be adjusted and credited. This can be done simply by calculating a daily insurance cost per employee. (Which is already done with the over 50 employee sized companies)

When new employees come on and off the insurance plan, adjustments are made to add and remove them, on a full month's basis, instead of prorating them by the day like the over 50 employee companies do.

**SOLUTION:**

With your support, this is an excellent opportunity for Connecticut to retain and keep small business from leaving the state to relocate to where the cost of doing business is significantly less.

I urge you to give your support to us as well as to the thousands of small business owners in Connecticut.

Together, we can help Connecticut to become a more small business friendly state

Please approve this initiative for all small businesses with fewer than 50 employees in Connecticut to be treated fairly and to be able to operate efficiently and competitively.

Thank you for your time.

Jonathan Duncklee  
Vice President

5669

## State of Connecticut

NANCY WYMAN  
COMPTROLLERMARK E. OJAKIAN  
DEPUTY COMPTROLLER

Hartford

Testimony Before the Insurance and Real Estate Committee  
State Comptroller Nancy Wyman  
February 3, 2009

Good morning Chairman Crisco, Chairman Fontana, Senator Caligiuri, Representative D'Amelio and distinguished members of the Insurance and Real Estate Committee. I am State Comptroller Nancy Wyman and I appreciate the opportunity to be here today to testify in support of House Bill 5669, "An Act Concerning Employer Health Insurance Premium Payments for Terminated Employees."

I would like to thank the Chairmen of this Committee for raising this bill and I have had the opportunity over the last two Sessions to advocate for this legislation on behalf of Mystic small business owner Jonathon Duncklee.

Mr. Duncklee brought to my attention an inequity – resolved by this bill – that unfairly disadvantages small business employers who provide their employees with health insurance.

Currently, employees who are terminated or voluntarily leave a small business are afforded, at the expense of the employer, health coverage throughout the entire month. Large employers are subject to alternative regulations that allow them to immediately place employees leaving the business on COBRA.

It is the intent of this legislation to provide small employers with the same ability to cease health coverage at the time of an employee's termination or voluntarily quit. Connecticut's small businesses who struggle to offer health insurance should have every benefit of their larger counterparts. The passage of this legislation is critical as we face difficult economic times. A policy that supports and fosters the growth of small businesses and encourages the purchase of health insurance is needed now more than ever.

I would recommend one change to the language of this bill. As currently drafted, the bill provides for the employer's credit to be applied upon the subsequent renewal of such small group policy. Typically renewals are on an annual basis and I believe that it should be clarified to provide for the credit on the next month's premium in the same manner as large employers. Our small businesses should not have to wait months or as much as a year for the refund of their premium.

Mr. Duncklee should be commended for the time and effort he has given to make sure Connecticut creates an environment that is friendly to the economic benefits offered by its small businesses

I wholeheartedly support this bill and want to thank you for your time.



State of Connecticut  
 HOUSE OF REPRESENTATIVES  
 STATE CAPITOL  
 HARTFORD, CONNECTICUT 06106-1591

5669

REPRESENTATIVE DIANA S. URBAN  
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VICE CHAIRMAN  
 GOVERNMENT ADMINISTRATION AND ELECTIONS  
 COMMITTEE

MEMBER  
 APPROPRIATIONS COMMITTEE  
 ENVIRONMENT COMMITTEE

Good Afternoon Senator Crisco, Representative Fontana and members of the Insurance and Real Estate Committee.

For the record I am Diana Urban, State Representative from the 43<sup>rd</sup> District and I am here today to testify on HB 5669 AN ACT CONCERNING EMPLOYER HEALTH INSURANCE PREMIUM PAYMENTS FOR TERMINATED EMPLOYEES.

In essence this bill is directed to small businesses with less than 50 employees. These businesses have found that when employees quit they are obligated to pay their health care insurance premium for the whole month. As you well know that can be an amount in excess of \$1000 for a family and in this economic climate could prove devastating to the solvency of the small business.

Business owners with more than 50 employees are not subject to premium payments after the employee is terminated. The employee has the option to begin COBRA the day they leave so that they will be covered by health insurance. The company does not have to pay the additional days of the month.

A business with under 50 employees has to pay up to one whole month (depending on when the termination took place) of an employees health care benefits if they quit or get fired.

Clearly we are not dealing with a level playing field and are actually penalizing the small business owner who often times is operating at the margin. They are paying the premiums for employees that are not working for them while larger businesses are not subject to the same rule. This sends a negative message to small business owners in Connecticut

Although I know we are all concerned about health care coverage for Connecticut residents, this unequal treatment is not a way to extend the coverage for some employees and not for others. The increased expense of not allowing the small business owner the option for the terminated employee to begin COBRA the day after they leave but require them to pay through that month yet allow the business owner with 50 or more employees to opt not to pay through the month of termination does not make sense.

We all know that small businesses are the major job generators in our economy and we want to do everything possible to help them stay in business ..especially during these trying economic times.

I hope that you will report this bill favorably out of Committee and send a message to the small business owners that Connecticut appreciates them and wants them to stay in business.

SERVING STONINGTON AND NORTH STONINGTON