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Testimony of
Tom Lally
Connecticut Education Association
Before the
Insurance and Real Estate Committee
Re:
SB 1049 AAC High Deductible Health Plans
March 18, 2021

Good afternoon Senator Lesser, Representative Wood, Senator Hwang, Representative Pavalock-D'Amato, and esteemed members of the Insurance and Real Estate committee. My name is Tom Lally and I serve as an Insurance Specialist for the Connecticut Education Association (CEA). CEA represents educators in over 150 school districts.

CEA strongly opposes SB 1049, which would result in serious fiscal complications and burdensome costs to boards of education. It would also unnecessarily complicate a topic that is collaboratively resolved through collective bargaining.

School employees operate on a July through June fiscal year. Consequently, with few exceptions, plan years follow fiscal years. This bill could subject school employees to two deductibles within a school year.

For example, a new teacher starts employment and is insured for September 1, 2021. The language in this bill could subject the new employee to the full 2021 deductible despite being enrolled in a high deductible health plan for four months in 2021. This same employee would be subject to the full 2022 deductible. Deductibles are not pro-rated based on entry into a plan during the plan year.

Further complicating this bill is the employee who is enrolled in a high deductible health plan with one employer in 2021, leaves employment on June 30, 2021, and finds new employment effective 9/1/2021. This employee would (1) be subject to the full deductible with the first employer in 2021, (2) the full 2021 deductible with the second/new employer, and (3) the full deductible in calendar year 2022.

Insurance is a mandatory subject of bargaining. We recommend that should SB 1049 go forward, that it excludes plans that are collectively bargained.

We are happy to discuss this concern further at your request.

Thank you.