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## 'Single-Payer' Idea Stays Afloat

### Legislative Committee Clears Two Differing Approaches To Health Care Reform

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A bill to create a single health insurer in Connecticut - an anathema to the industry - won half-hearted approval Tuesday from a legislative panel, which also passed a reform bill the industry favors.

The Insurance and Real Estate Committee, in a 12-7 vote, approved a bill aimed at creating a "single-payer" system to ensure coverage for all Connecticut residents not on Medicare.

Several Democrats on the committee, including committee Co-chairman Brian J. O'Connor, said they were voting for the Connecticut Saves Health Care bill simply to keep reform debate going despite misgivings about potential job loss in the insurance industry.

State Rep. Christopher R. Stone, D-East Hartford, who voted yes Tuesday, said he wouldn't support the bill on the House floor.

The bill's proponents, though, scored the vote a victory because it showed a major shift in the climate for universal health care and keeps the single-payer idea afloat.

The Connecticut Saves Health Care program would replace the current system of employer-based and individually purchased policies, taking away much of the role of private health insurers. However, they wouldn't be prevented from selling supplemental coverage.

The insurance committee is known for preserving the role of insurance companies in health care, but "what they've said today with their vote is the system is broken and we need to change it," said Phil Sherwood, legislative director of the Connecticut Citizen Action Group. "I think that rang loud and clear."

Legislators of both parties, however, voiced worries about insurance industry jobs in Connecticut, should there be a switch to a single-payer system.

State Sen. Louis C. Deluca, R-Woodbury, the committee's ranking member, said Iowa has become as big or bigger a mecca for insurers than Connecticut because of legislators' actions here over the years.

"We continually give them reasons not to be here," he said. "I believe this would be another one."

Keith Stover, a lobbyist for the Connecticut Association of Health Plans, warned that "If Connecticut wants to maintain its pre-eminence as an insurance state, I would think that passage of single-payer would be about the worst possible message you could send to the industry.

"It's a lot of families that are supported by the insurance industry, a lot of mouths are fed, a lot of children put through college, and the idea that people are willing to just chuck that is extremely disturbing."

But state Rep. John C. Geragosian, D-New Britain, praised the single-payer concept, saying, "Insurance companies don't add any value in this [current] system" and that "it's time to take some bold action" to solve the health care crisis.

Stover blanched at that, saying after the meeting that "essentially every innovation in health insurance, from chronic disease management to consumer-driven health plans, etc., all come from the minds here in Hartford, in

Connecticut."

Tuesday's vote was a "victorious first step toward comprehensive change," said Juan A. Figueroa, president of the Universal Health Care Foundation of Connecticut, which had pushed the single-payer bill.

The vote, he said, "acknowledges that incremental steps are not the way to fix our state's broken health care system."

The vote for a single-payer system also drew praise from Council 4 of the American Federation of State, County and Municipal Employees, the largest AFL-CIO union in the state, and from Citizens for Economic Opportunity, a labor-community coalition.

But a single-payer system is "potentially unsustainable" from a funding standpoint, said Eric George, associate counsel at the Connecticut Business and Industry Association, which has "grave concerns" about the idea.

The state already under-funds Medicaid payments to hospitals, driving hospitals to make up a part of the shortfall through reimbursements from private insurers, George said. In a single-payer system, health care providers wouldn't have private insurers to fall back on, he said.

The insurance committee removed funding provisions from the bill because there was no consensus, measures that would have levied a 50 percent surcharge on the state income tax and an 8 percent payroll tax on employers of a certain size. The bill now goes to the Senate.

The committee also passed a revised version of the Healthy Steps bill, which Stover said "provides the most rational framework for ongoing discussion" and relies on a market-based system.

The bill, which now heads to the House, would create a new Health Care Reform Commission to develop a more affordable health plan for small employers of 50 or fewer employees.

The state would contract with a private nonprofit organization that would serve as an insurance purchasing pool for previously uninsured individuals and small employers to buy coverage.

The Connecticut Connector program would offer three kinds of health plans, including a high-deductible plan linked with a health savings account.

Legislators removed from the bill a proposed 3 percent tax on revenue of health care providers in Connecticut that would have helped to fund some of the provisions. Doctors protested the tax at a committee hearing last week.

The bill would provide tax credits at varying levels to small employers that provide health insurance that meets or exceeds the standards set for the affordable plan to be developed.

The measure also calls for expansion of the state's Husky insurance program, and increased reimbursement to doctors, dentists and hospitals from insurers serving Medicaid members.

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