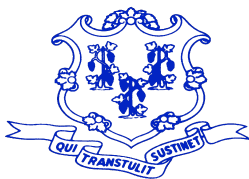


The Connecticut General Assembly



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DONOVAN & FONTANA CHAMPION PLAN TO SAVE TOWNS MONEY ON PRESCRIPTION DRUG PLANS

House Speaker Christopher G. Donovan (D-Meriden) and State Representative Steve Fontana (D-North Haven) announced that a bill allowing municipalities to purchase prescription drug coverage through the state employee plan was approved by a 13 to 5 vote by the legislature's Insurance and Real Estate Committee today.

"As cities and towns struggle with double-digit premium spikes in their health insurance quotes for the next fiscal year, I cannot think of a better time to provide local governments with this tool for controlling healthcare costs," said Speaker Donovan. A longtime proponent of bulk purchasing of healthcare and other services, Donovan has championed opening the state employee health insurance plan to municipalities, small businesses and nonprofits for several years.

House Bill 5295, An Act Concerning Municipalities and Prescription Drug Plans, would permit municipalities to join the state employee plan for the purchase of prescription drug coverage. The plan, which provides benefits to state employees and public officials, costs significantly less than comparable policies available to many Connecticut municipalities. In 2009, the state prescription drug plan experienced no premium rate increases, unlike many similar plans.

"Giving towns another competitive choice for providing prescription coverage to their employees will help to reduce the pressure on their budgets and keep local property taxes down," said Representative Fontana, who chairs the Insurance & Real Estate Committee. "As a member of my local Board of Selectmen, I'm very aware of the steep rate increases that health insurers currently are proposing for this coming fiscal year. This bill will give towns like mine another option for cost-effectively covering prescription drugs for their employees."

"The premise of insurance coverage has always engaged the concept of pooling resources to benefit from economies of scale – this initiative to expand prescription

drug coverage follows that formula to include thousands of public sector workers in the plan already helping thousands of state employees with the spiraling cost of these medications,” Senator Joseph J. Crisco, Jr. (D-Woodbridge) said. “Enactment of this bill could help stabilize municipal and board of education budgets statewide and the timing couldn’t be better.”

Mark Waxenberg, Director of Government Relations of the Connecticut Education Association said, “Healthcare costs are, without question, the major cost drivers of local education budgets. Every day we read stories about local districts that are in deficit or have to cut costs due to healthcare increases. We have seen districts with over 20% increase in healthcare costs which places significant stress on local education budgets.”

Waxenburg cited a survey of local teachers associations that shows that about 40% of school districts could benefit from the legislation.

Last week Attorney General Richard Blumenthal, the Connecticut Conference on Municipalities (CCM), the Connecticut Council of Small Towns (COST), CT Alliance for Retired Americans, labor groups, and healthcare advocates from throughout the state submitted testimony in favor of the bill at the state legislature’s Insurance Committee public hearing.

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