



Another Health Care Proposal

By Christine Stuart

Four House Democrats unveiled a \$1 billion somewhat-universal health care plan they believe is a “fair and balanced” alternative to the single-payer system proposed by other members of their caucus.

State Rep. Michael Christ, D-East Hartford, said implementation of the plan would decrease the number of uninsured to 3 percent within five years. Currently an estimated 9 percent, or 400,000 residents in the state are sans insurance.

Christ, Rep. Brian O’Connor, Rep. Deborah Heinrich, and Rep. Linda Schofield, said their plan would give \$290 million in tax breaks to small businesses that already provide health insurance to their employees, create a private nonprofit called Connecticut Connector to administer insurance to the uninsured, increase reimbursement rates and marketing for Medicaid, and provide a \$12 million sales tax break for people who join health clubs.

While the proposal isn’t perfect because it doesn’t insure everyone, “we felt it was a faster, better way to help small businesses and get more people insured,” Christ said.

The creation of a private nonprofit sounds similar to New Haven Mayor John DeStefano’s Connecticut CAN! proposal unveiled during his gubernatorial campaign.

The difference between the two plans: how they would pay for it.

DeStefano proposed using the corporate income tax.

The plan unveiled Tuesday calls for a 3 percent tax on providers, increases in Medicaid reimbursement from the federal government, an increase in the cigarette tax, and a sales tax on cosmetic procedures.

An increase in the cigarette tax from \$1.51 to \$1.75 would raise an additional \$30 million, a vanity sales tax would bring in \$40 million, the federal government would contribute an

additional \$300 million because the state would spend \$500 million, and \$100 million in the state's tobacco settlements.

O'Connor, said in order to accomplish this they will need to exempt the federal reimbursement from the spending cap.

The bulk of the revenue--\$600 million--will come from the 3 percent provider tax.

Christ said the provider tax is an incentive for doctors and medical professionals to accept patients with Medicaid.

But Dr. Michael Deren of the Connecticut Medical Society said "The proposed provider tax is really another barrier to health care."

"It adds more costs to small businesses--which is what almost 90 percent of Connecticut physicians' offices are--without funding to make up the difference," Deren said in a press release.

O'Connor said the increase in reimbursement rates would make the tax on medical services a wash for doctors. But the doctors don't believe the reimbursement rates would make up enough of the difference to make it a wash.

How is the Connecticut Connector plan different from Gov. Jodi Rell's Charter Oak Plan?

In order to qualify for the plan you would have to be uninsured for six-months, not unlike Rell's plan. What's different? It creates a pool that the uninsured and small employers can buy into, Schofield said. What would the average premium be? Schofield said they don't know because it would need to be developed by the Health Care Reform Commission.

According to the legislation, a Health Care Reform Commission, will no later than July 1, 2008, develop an affordable health care plan, which shall serve as the benchmark health care plan that an employer shall make available to employees to qualify for a tax credit and may be sold to employers with fifty or fewer employees through the Connecticut Connector.

The public hearing on the bill will be March 6.