



OFFICE OF THE MAYOR  
**City of Middletown**  
CONNECTICUT 06457

**Daniel T. Drew**  
MAYOR

Dear Members of the MORE Commission,

I am sorry I couldn't be with you today as it had been my intention to share with you my strong belief that true and robust healthcare pooling between municipalities and the State of Connecticut could lead to millions in savings for our taxpayers. Unfortunately, I am unable to be at the hearing due to a prior commitment so please accept this letter of unqualified support for the sharing of health insurance liabilities.

Currently cities and towns can purchase salt, sand, and other goods at the state rate. In fact, in Middletown, we have taken advantage of all of these programs to successfully and consistently produce savings for our taxpayers. However, when it comes to health insurance, the mechanism to achieve economies of scale through large risk pools is not economically viable. We should change that.

The total cost, both the employer and employee contributions, for a family medical plan in Middletown for our largest bargaining unit, AFSCME Local 466, is currently \$27,901 and for an individual plan is \$9,528. Our health insurance costs went up 9.1% from 2013 to 2014. As a City, it is important that we provide quality health insurance to our employees. A true pooling program will bring down health insurance costs.

The City of Middletown twice explored the Connecticut Healthcare Partnership program offered through the Comptroller's office. In accordance with the legislation, we sent our claims data for analysis and were presented with a quote that was based on our individual group. Both times the cost came back more expensive than our current rates.

Our experience in Middletown underscores the need for sharing. The Partnership Plan as currently constructed analyzes and quotes towns individually – not putting all employees together in one pool. It does offer price stability and reduces the administrative burden, but more savings could be achieved for taxpayers if the legislature allowed for real pooling. Municipalities should be allowed to “buy” health insurance at-cost from the state.

We estimate looking just at that one bargaining unit whose costs are quoted above, that if we paid state rates for the state's United Healthcare plan, our city and employees would save \$1,704,700.56. That is a significant savings that we cannot afford to ignore.

I hope you will consider this important step as you go about looking for ways to reduce costs and more efficaciously share resources amongst our 169 communities.

Respectfully,

  
Daniel T. Drew  
MAYOR