**Testimony of Victoria Veltri**

**State Healthcare Advocate**

**Before the Labor and Public Employees Committee**

**In support of HB 6932**

**March 5, 2015**

Good afternoon, Representative Tercyak, Senator Winfield, Senator Hwang, Representative Rutigliano, and members of the Labor and Public Employees Committee. For the record, I am Vicki Veltri, State Healthcare Advocate with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

Thank you for the opportunity to comment on HB 6932, AAC Paid Family Medical Leave. Connecticut has long been a leader promoting equity and fairness for employees, enacting the first family medical leave act in the nation, and most recently providing for the first paid sick leave law in the United States. HB 6932 continues this tradition and represents not only true equity for employees, but will help employers realize increased productivity. This concept has been championed by the Connecticut Campaign for Paid Medical Leave,

created by the Permanent Commission on the Status of Women and the Connecticut Women's Education and Legal Fund, and of which OHA has been an active participant.

The Family and Medical Leave Act (FMLA) acknowledges the importance of being able to care for oneself or family in situations where the additional time to recover is essential for a positive outcome. FMLA eliminates some of the stress associated with an illness or other qualifying condition, including a personal or family illness, family military leave, adoption, birth or foster care placement of a child, by permitting a qualified employee to take the time necessary to care for themselves or a loved one, without the added fear of job insecurity due to this absence. However, current law does not require that such leave be paid, which significantly disincentivizes utilization, because many people cannot afford to lose income.

HB 6932's creation of a plan that provides paid family and medical leave for Connecticut's employees is a logical extension of this benefit, and brings Connecticut in line with the majority of the developed world in promoting this essential benefit. Currently, the United States is the only developed nation without universal paid family leave, and one of only three nations (we are joined by Swaziland and Papua New Guinea) without paid maternity leave.

Clearly, healthy employees are more productive, and the promotion of paid family and medical leave will help to ensure that people have an opportunity to heal, or care for a loved one, without the fiscal concerns associated with unpaid leave, and will be able to return to work sooner than if they attempted to work while still in recovery.

This concept is not without basis in Connecticut. When the General Assembly enacted paid sick leave in 2011, employers were understandably concerned about the economic impact that such a policy would have on their business, productivity and profit. However, research has demonstrated that this policy not only has had minimal or no effect on most businesses, but that the abuse opponents feared would happen has not materialized. Further, employee morale has increased in many businesses, with fewer employees

showing up to work sick. The concept promoted by HB 6932 represents a logical extension of this idea – that employees need to have the ability to recovery from illness, or to care for a loved one, and not worry about job security or finances, for an appropriate amount of time.

A minimal assessment on employees' pay would provide funding for the pool, and the CT Dept. of Labor would administer its operation. Although opponents may argue that such an arrangement would unfairly burden many of those it presumes to help, the Institute for Women's Policy Research estimates that less than 0.25% of each employees pay would be necessary to fund an effective and comprehensive program. The impact of administering the program on businesses would be minimal, with significant promise of benefits. Employees who are sick, or who have family members who are sick, frequently fail to achieve their maximum potential. A recent study by the Integrated Benefits Institute estimates that illness costs the U.S. economy $576 billion a year, with $227 billion of that due to "lost productivity" from employee absenteeism due to illness or from presenteeism, when employees continue to work but function at a lower capacity due to illness. In addition, sick employees increase the risk of spreading their illness to their co-workers, further adversely impacting the business' productivity.

The benefits of implementing a paid family medical leave system are plentiful, morally as well as economically, but HB 6932 could make this system even stronger and more comprehensive. Some modifications to the language and design of the program to fund this effort are necessary to promote full realization of the potential of this bill. First, the required enrollment may be construed as a requirement that employees must opt-in to utilize the program. The outreach and education necessary to help many consumers understand how to enroll presents a significant barrier, since many people may not have the resources or assistance to fully understand these requirements under the program. Because the Department of Labor (DOL) would automatically begin withholding the assessment from all of Connecticut's employees, people should merely be required to satisfy the eligibility requirements in order to receive the benefit under this plan, and not to have to opt-in. In addition, the timeline proposed in HB 6932 may present a challenge,

with the DOL beginning to collect funds in July 2016 and eligibility for payment under the fund beginning a mere 3 months later, in October 2016. Instead, as noted, the enrollment requirement should be eliminated, with automatic program enrollment for all employees, followed by a full year of contributions collected by the DOL prior to accepting applications for compensation. This will provide stakeholders the time necessary to develop effective, intuitive and culturally and linguistically appropriate outreach and resources so that, when the program begins to accept applications, every employee is aware of their rights and options under this plan.

Thank you for your leadership and foresight in this important matter, and thank you for providing me the opportunity to deliver OHA's testimony today. If you have any questions concerning my testimony, please feel free to contact me at victoria.veltri@ct.gov.