



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Wednesday, March 11, 2015**

**SB 810, An Act Establishing A Special Commission On Provider Price Variation
And Reform**

SB 814, An Act Promoting Accountable Care Collaboratives

SB 815, An Act Concerning Health Care Policy And Cost Containment

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 810, An Act Establishing A Special Commission On Provider Price Variation And Reform; SB 814, An Act Promoting Accountable Care Collaboratives; and SB 815, An Act Concerning Health Care Policy And Cost Containment.**

Before commenting on the bills, it's important to point out that Connecticut hospitals treat everyone who comes through their doors 24 hours a day, regardless of ability to pay.

This is a time of unprecedented change in healthcare, and Connecticut hospitals are leading the charge to transform the way care is provided. They are focused on providing safe, accessible, equitable, affordable, patient-centered care for all, and they are finding innovative solutions to integrate and coordinate care to better serve their patients and communities.

This session, the environment for healthcare providers, and specifically hospitals, is particularly challenging. The Governor's proposed budget broadens the hospital tax and makes significant cuts to hospital reimbursement. Hospitals face legislation that makes many hospital facilities subject to property tax, changes the regulatory environment in ways that would impede implementation of healthcare reform, and implements a stifling Department of Social Services audit environment. Additionally, legislation before this Committee would impose significant unfunded mandates and increase unwarranted regulatory burdens.

SB 810 would establish a special commission on provider price variation and reform that would study variation in price and insurance reimbursement rates for healthcare services among similar healthcare providers and the impact of such variation on healthcare costs, insurance premiums, and access to care. CHA and Connecticut hospitals are working continuously to improve quality and take cost out of the healthcare system. We welcome the opportunity to participate in these discussions with the newly proposed commission.

SB 814 would direct the Department of Public Health (DPH) to regulate integrated accountable care collaborative arrangements among healthcare providers and adopt, in consultation with the Attorney General, regulations establishing criteria for “certificates of authority,” quality standards, reporting requirements, and other yet-to-be-determined requirements. The bill also allows DPH to issue certificates of authority to accountable care collaboratives that meet the DPH Commissioner's requirements. As you may know, the Centers for Medicare & Medicaid Services (CMS) established guidelines for Accountable Care Organizations. It is not clear why it is necessary for DPH to establish a new regulatory burden when one is in place on the federal level already. Should this bill move forward, CHA would like to work with the Committee to ensure that the language is consistent with federal requirements.

SB 815 would establish an independent state agency to monitor healthcare costs, set cost growth benchmarks, collect provider cost and expenditure data, study healthcare market changes, and review and analyze each proposed merger or acquisition involving a healthcare provider. The agency would also conduct a cost and market impact analysis if it is determined that the merger or acquisition is likely to impact healthcare competition significantly or the ability to meet the benchmarks for healthcare cost growth. Should this bill move forward, CHA would like to work with the Committee to ensure that hospitals and other healthcare providers have an opportunity to provide input to the new state agency.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.