



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

SB 249, An Act Concerning Disputes Between Hospitals And Insurers

SB 994, An Act Concerning Contract Disputes Between Hospitals And Insurers

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 249, An Act Concerning Disputes Between Hospitals And Insurers**, and **SB 994, An Act Concerning Contract Disputes Between Hospitals And Insurers**. CHA opposes both of these bills.

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.

Both bills would require hospitals and health insurers to resolve their contractual differences rather than to allow either party to terminate the agreement. SB 249 requires the dispute to go to binding arbitration, while SB 994 requires the parties to keep negotiating until such time as they resolve the dispute. While both bills are well-intentioned, they fail to recognize the current exigencies facing both health plans and hospitals. Health plans are facing enormous pressure from employers and the individuals they serve to control the rate of growth of healthcare spending. Hospitals are working diligently to implement programs to improve quality and control cost, but those efforts are overwhelmed by the relentless increase in the Medicaid cost shift driven by new taxes and random and reckless Medicaid rate cuts.

Given the current environment, while the parties always work to resolve their issues, unfortunately there are going to be instances in which the parties can't continue to work together and therefore need to terminate the agreement. As such, their ability to terminate the agreement needs to continue. Additionally, these bills would extend the time certain providers are included on provider lists only briefly. The bills do not change the terms of annually renewed insurance policies, the various required notices to patients about available providers,

the need for carriers to have adequate providers in their plans, or the required notices by carriers or providers to one another when they anticipate no longer doing business – all of which are designed to provide coverage and service as agreed to by patients, carriers, and providers alike. Essentially, the results of these bills would push ahead by 60 or 90 days the termination date for inclusion of specific hospital providers. The effect on patients would be similar, if not identical, to what happens now, but with added legal burden on an already fragile system.

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