



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Tuesday, March 6, 2018**

**HB 5383, An Act Concerning Disputes Between Health Carriers And Participating
Providers That Are Hospitals**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5383, An Act Concerning Disputes Between Health Carriers And Participating Providers That Are Hospitals.**

Before commenting on the bill, it's important to point out that Connecticut hospitals provide high quality care for everyone, regardless of their ability to pay. Connecticut hospitals are dynamic, complex organizations that are continually working to find innovative ways to better serve patients and communities and build a healthier Connecticut. They are developing integrated delivery networks with physicians, services, and technology to make sure patients receive high quality, coordinated, cost-effective, patient focused, and equitable care. By investing in the future of Connecticut's hospitals, we will strengthen our healthcare system and our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

HB 5383 seeks to address times when hospitals and health plans are unable to reach agreements on a new contract. Hospitals' paramount concern is to ensure that during these negotiations, patient care is not disrupted and patients are able to receive the care they need.

Negotiations about health insurance are always challenging, as hospitals are focused on the need to be compensated appropriately for the care they provide, and health plans are focused on the cost of premiums. In recent years, the negotiations have become even more challenging as reimbursements in the Medicare and Medicaid program have decreased.

CHA appreciates the work of the Committee to address the rare times when a hospital and health insurer are unable to reach terms for renewal of a contract. HB 5383 establishes a 60-day contract extension to the existing contract term when a renewal agreement is not reached. We know that the Committee reviewed many approaches before it put forth the provisions of HB 5383 and appreciate the focused approach.

We urge the Committee to amend HB 5383 to provide for a reasonable increase to reimbursements during this 60-day contract extension period, to fairly recognize the change in circumstances and increased provider costs that naturally occurred over the year since the previous contract agreement was reached. Without such a provision, HB 5383 may have the effect of inadvertently creating an incentive for health plans not to engage in negotiations.

We continue to review the impact of HB 5383 to ensure it does not have the unintended consequence of merely prolonging negotiations, and to be sure that the newly required patient notices are coordinated with existing notice rules and do not confuse consumers.

We look forward to continued work with this Committee as HB 5383 progresses through the legislative process.

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