



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
INSURANCE AND REAL ESTATE COMMITTEE  
Thursday, March 5, 2020**

**SB 333, An Act Concerning Reimbursements For Certain Covered Health Benefits**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 333, An Act Concerning Reimbursements For Certain Covered Health Benefits**. CHA opposes the bill.

SB 333 would require site-neutral payments to healthcare providers for outpatient CPT evaluation and management and drug infusion codes.

Connecticut residents rely on hospitals for access to care 24 hours a day, 7 days a week; to serve as a safety net provider for vulnerable populations; and to have the resources needed to respond to disasters and public health emergencies. These roles are not funded explicitly; instead, they are built into a hospital's overall cost structure and supported by revenues received from providing direct patient care. Hospitals are also subject to more comprehensive licensing, accreditation, and regulatory requirements than other care settings.

SB 333 does not recognize this complex funding and regulatory scheme.

The Medicare program has set forth specific criteria to determine when the provision of a service is hospital based, and when it is simply a physician office service. When it meets the tests to be hospital based, the service is entitled to a higher level of Medicare funding, which is accorded in recognition of the fact that the hospital, with all the requirements and responsibilities noted above, is a more expensive place to deliver care and is held to higher regulatory standards.

<b>Regulatory Requirements/Roles</b>	<b>Hospital Outpatient Department</b>	<b>Ambulatory Surgery Center</b>	<b>Physician Office</b>
24/7 Standby Capacity for ED Services	✓		
Back up for Complications Occurring in Other Settings	✓		
Disaster Preparedness and Response	✓		
EMTALA Requirements	✓		
Uncompensated Care/Safety Net	✓		
Teaching/Graduate Medical Education	✓		
Special Capabilities (burn, trauma, neonatal, psychiatric services, etc.)	✓		
Required Government Cost Reports	✓		
Equipment Redundancy Requirements	✓		
Stringent Building Codes (ventilation systems, hallway widths, ceiling heights, etc.)	✓		
Infection Control Program	✓	✓	
Quality Assurance Program	✓	✓	
Joint Commission Accreditation	✓	✓	
Life and Fire Safety Codes	✓	✓	✓
Malpractice Insurance	✓	✓	✓
Admin Staff/Billing	✓	✓	✓
Medical Supplies	✓	✓	✓
Nurses	✓	✓	✓
Space and Utilities	✓	✓	✓

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SB 333's site-neutral proposal would either: (1) increase the cost of healthcare by requiring health insurers to pay nonhospital-based providers the hospital rate, but not require them to comply with all the hospital regulatory requirements, including the requirements set forth in the Emergency Medical Treatment and Labor Act (EMTALA), which requires hospitals to provide screening and stabilization treatment to all individuals regardless of ability to pay; or (2) result in an inappropriate reduction in reimbursement to hospitals, as health insurers reduce payments arbitrarily, which would be backed by the new state law. SB 333 would move Connecticut in the direction of a government dictated rate-setting system. Health insurers know and understand the differences between provider types; the appropriate level of funding is properly determined by contract, not by state statute.

We urge you to reject SB 333.

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