



**FOR IMMEDIATE RELEASE**

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## **CHA: GOVERNOR'S PROPOSAL WOULD DEVASTATE COMMUNITY HOSPITALS**

**Billions of dollars in reductions to local hospitals projected.**  
**CHA calls for collaborative action to reduce healthcare costs.**

HARTFORD – Today, the **Connecticut Hospital Association (CHA)** will testify before the General Assembly's Insurance and Real Estate Committee in opposition to government-imposed price caps in [Senate Bill 983](#). Senate Bill 983 implements policies that will devastate Connecticut's community hospitals in commercial contract negotiations. **The impact would result in billions of dollars in reductions to local hospitals, and place significant strain on the local healthcare delivery system.**

"The pandemic and its aftermath have left hospitals significantly less stable than before, managing soaring costs caused by record inflation, treating patients with more severe health needs, and grappling with serious financial losses and workforce shortages. Policies that result in severe reductions to local hospitals will only further strain the healthcare system. Hospitals cannot sustain a robust healthcare delivery system for patients across the state if hospitals cannot cover their costs and are pushed into the red. The math doesn't work," said **Paul Kidwell, CHA's Senior Vice President, Policy**.

CHA will testify in opposition to the Governor's proposal in SB 983 to cap out-of-network commercial rates for inpatient and outpatient services at 100% of Medicare, a policy that would drastically shift power to the insurance industry. Nothing in SB 983 would require these companies to pass on the savings generated by these government-imposed price caps to consumers.

National health insurance carriers do not need the assistance of the Connecticut state government in contract negotiations with hospitals. In 2022, the four national carriers operating in Connecticut collectively made nearly \$37 billion in profit. By comparison, Connecticut hospitals lost \$164 million in fiscal year 2022. Were such a cap in place, in-network commercial rates would be pushed closer to Medicare payment rates, Connecticut hospitals would potentially lose billions in reimbursement, on top of the millions in unreimbursed Medicare and Medicaid costs Connecticut hospitals absorb each year. *Projections show this will lead to billions in reductions to hospitals, resulting in double digit negative operating margins.*

Both state law (2015) and federal law (the 2022, No Surprises Act) already limit the medical bills insured patients receive due to out-of-network care. This proposal is not about controlling out-of-network costs, but rather bolstering the power of national insurance companies in rate negotiations.

CHA will also be testifying on HB 6620 and other sections of SB 983 that ban certain contract clauses between hospitals and insurers.

This includes a ban on “all-or-nothing” arrangements which would mean healthcare systems would not be permitted to negotiate with payers to ensure patients have coverage for the full spectrum of services in a care network and to ensure patients can choose their doctors and care team. That prohibition would have a negative effect on patient access and continuity of care. Additionally, CHA is seeking changes to the bill’s ban on “anti-tiering” clauses. CHA is requesting the Committee amend the bill to provide transparency on how health insurers determine “tier.” No hospital should have to guess how a health insurer determines how they were placed in a certain tier.

CHA is urging lawmakers to support the implementation of the state’s healthcare cost growth benchmark to address healthcare affordability. The legislature codified the benchmark last year, and this will be the first year of publicly reported data. CHA is urging the state to move forward with benchmarking and allow that process to work.

“We remain eager to find solutions that deliver more affordable healthcare in our state while expanding access to care. Unfortunately, these proposals before the Insurance Committee today will further weaken the hospitals that Connecticut residents rely on for life-saving care. Everyone needs to be part of the solution and we must work together to achieve our shared goal of providing high quality, affordable, accessible, and equitable care to every person,” said **Kidwell**.

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