

**Testimony of Deborah Osborn on behalf of
Dr. Anish Shah**

**In Support of SB 670, An Act Concerning Cooperative Negotiations
and Standards in Contracting**

Before the Judiciary Committee

March 24, 2006

Good afternoon, Sen. McDonald, Rep. Lawlor and distinguished members of the Judiciary Committee. I have asked Deb Osborn, Executive Director of the Ct Society of Eye Physicians to provide my statement to the committee in support of this legislation to bring a small element of fairness to the relationship between physicians and managed care companies.

My story is very telling about the current situation that exists today between physicians and insurers and is the reason why I have asked for this statement to be read to the committee today.

After several years of problems with a specific managed care company in Connecticut and a lawsuit for over \$250,000 due my practice from this insurer, my group Norwich Ophthalmology, consisting of 5 physicians decided not to re-sign with this company. Move ahead 5 years when another local physician joined our practice and had a substantial amount of patients from this same managed care company. Because we were the only ophthalmology group in a 20-mile radius in rural Eastern Connecticut, we felt an obligation to reconsider our earlier decision. After great thought, we asked to review the

fee schedule and considered joining the network again so that this large group of patients would not be forced to travel and find other medical care.

We were provided with information about the fees for the care we provide and decided to join the network once again. One month after we signed the contract we received notice from the company that our fees were being reduced. Some of the more frequently used codes were reduced by 65%. Had we know this prior to signing the contract, it would have been very difficult for my group to make the decision to join this network.

Because we are the only group within a 20 mile radius and see many elderly patients, this creates a very difficult situation for us and our patients. Is it fair that we made a business decision based on the information provided by the managed care company, only to have it changed substantially within 30 days of signing the deal?

The bill before you today would prevent this situation from ever happening by requiring managed care companies to provide fee schedules to physicians and maintain those schedules for the term of the contract. (Usually one year.) By prohibiting insurers from including provisions that allow only them to change the terms of the contract, this body will go a long way to ensuring access for patients in this state. Contract legislation was already passed this year to establish fair standards for contracts with the state, is it wrong for Connecticut's physicians to expect the same?

Thank you for your consideration.