Connecticut State Medical Society
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Connecticut State Medical Society Testimony on
House Bill 6841 An Act Concerning Standards in Contracts Between Health Insurers and Physicians and House Bill 5308 An Act Establishing Standards For Contracts Between Health Insurers and Physicians
Presented to the Public Health Committee
February 14, 2007

Senator Handley, Representative Sayers and Members of the Public Health Committee, I am Matthew Katz, the Executive Director of the Connecticut State Medical Society (CSMS). On behalf of our over 7,000 members, thank you for the opportunity to testify before you today on House Bill 6841 An Act Concerning Standards in Contracts Between Health Insurers and Physicians and House Bill 5308 An Act Establishing Standards For Contracts Between Health Insurers and Physicians. CSMS and many of our State specialty societies have been before this Committee for too many years to count asking for the establishment of certain standards in contracts between physicians and managed care companies.

Last session this General Assembly passed legislation to require beginning this October basic disclosure of certain fees schedule information to physicians by health insurers. However, many more standards need to be enacted to require fair and just contracting between physicians and insurers. Nationally, several major insurers have already consented to these fairness standards during a long and complex lawsuit lead by Connecticut physicians. We ask that several of those agreed to provisions be enacted into state law to protect every physician and insured.

We understand that the language before you today has been proposed for the benefit of the physicians of Connecticut and we look forward to working with you to ensure that we accomplish our goal. House Bill 6841 includes the establishment of a task force regarding our concerns. While we would welcome the opportunity to meet regularly with this committee or any legislatively established committee to review the impact of legislative changes, several such task forces have meet in the past years as a result of passed legislation. Therefore, we know what changes must be made to create a fair contracting process. Therefore, Connecticut physicians ask that the proposed language be amended to comprehensively address the following issues -

- **Disclosure of complete fee information to physicians showing applicable fee amounts *as well as a disclosure of methodologies used to establish fee levels prior to acceptance of a contract*.**

- **Prohibit changes to a fee schedule during a contract period**
- **Prohibit contractual changes during the contract period of non-fee related issues without the written approval of the physician.**
- **Require each health plan to develop a definition of "Medical Necessity" using generally accepted standards of medical practice and include in contracts.**
- **Require each plan to establish an independent external review process to address physician contract issues and disputes similar to one already in place to address patient issues and disputes.**
- **Require each plan to prove compliance with the bill by submitting an independently conducted annual audit to the Department of Insurance.**

These issues were developed through years of legal battles and legislative debate, and have been included in the settlements of national class action lawsuits between doctors all over the country many of the nation's largest managed care companies. The settlements will eventually expire, but by incorporating these provisions in Connecticut Statutes, they will serve doctors and their patients forever. We ask the Connecticut General Assembly to support and pass legislation to affirm the rights of physicians and define the role of managed care companies for playing by a set of fair and balanced rules when contracting for medical services for patients.