

Testimony of the Connecticut Society of Eye Physicians
Before the Public Health Committee, February 21, 2007

On HB 5308 An Act Establishing Standards for Contracts Between Health Insurers and Physicians
HB 6841, An Act Concerning Standards In Contracts Between Health Insurers and Physicians

Good Day, Senator Handley, Representative Sayers, and other members of the Public Health Committee. For the record, I am Dr. William Ehlers, and I come before you today on behalf of the Connecticut Society of Eye Physicians, representing more than 300 Eye MDs practicing in Connecticut. I am here to speak in support of **HB 5308 An Act Establishing Standards for Contracts Between Health Insurers and Physicians** as written and **HB6841, An Act Concerning Standards for Contracts Between Health Insurers and Physicians**, but with some important reservations.

First, I would like to thank this committee for again giving careful consideration to this matter that is so important to all Connecticut physicians and patients. Obviously, this is not a new issue. In fact, we have been testifying before this committee and others for over 5 years seeking legislative relief from unfair practices that some insurers use to reduce payments to physicians after they have signed contracts and rendered care in good faith.

House Bill 5189, a Fairness in contracting bill passed during the 2005-2006 legislative session, required that physicians be given a fee schedule that included the top 50 codes billed within the physician's specialty, and other fees upon request. While it was gratifying to have that bill passed, many physicians believed HB 5189 fell far short of what is needed to ensure fairness in contracting. I think that it is self-evident that fee disclosure without the prohibition of unilateral changes accomplishes little to remedy contracting inequities. The proposed bill is certainly an improvement over the current legislation, but there are some important changes that must be made before it truly addresses fairness in contracting.

HB 6841 does have important provisions to protect physicians, including an explanation of the physician payment methodology, a prohibition against changing the fees schedule during the contract period, a prohibition against changing non-fee aspects of the contract without the written approval of the physician, and an independent external review process.

However, other provisions of this bill are of great concern. Although fee schedule disclosure is mentioned, we feel very strongly that **full fee disclosure** must be specified. That is really the only way a provider can make an informed decision regarding participation. It should be noted that Medicare is able to provide physicians with full fee disclosure, so we know it is not an onerous burden on an insurer.

The next point of contention is allowing the contracting organization to define "medical necessity". We understand concerns about inappropriate procedures and tests, but all contracting providers must pass a review and prove their education and certification, so we believe that anything they order is, if fact, medically necessary. Contracting organizations are able to monitor and identify physicians with unusual practice patterns. Review and verification of those physicians should easily differentiate between a specialty practice and someone who is committing fraud and abuse. We believe it is inappropriate to allow anyone other than physicians to determine medical necessity.

We are also concerned that yet another task force is proposed – you may remember we have had similar proposals in the past that have produced little action or insight. We don't need another task force – we need fairness in contracting, and we need it now – which brings me to the last point.

This proposed legislation pushes the date for implementation another year down the road to Oct. 2008. Will there be another bill next year that pushes any true reform to 2009? Forgive us if we seem distrustful, but we have considerable experience with insurers who are very adept at a "shell game" approach to reimbursement. I know this committee is familiar with the problems facing physicians – increased practice expenses, the professional liability crisis, and regulatory requirements that become more stringent each year. Although I have spoken of the need to protect physicians from unfair practices, the goal of this legislation is really to protect the people of Connecticut and ensure their access to quality health care. Simply put, physicians cannot continue to provide the care their patients deserve while caught between falling fees and rising expenses. True Fairness in contracting will allow them to make the best choices for their patients and practices.

We all have an instinctual understanding of fairness, and there is no reason we should not apply that understanding to this issue. Insurers have hosts of analysts, actuaries, accountants and others to help them write contracts. Given this fact, I find it incomprehensible that they cannot produce a contract they can live with for one year without making unilateral changes.

A contract should mean something; it should be complete and not changed at the whim of either party. Anything else is just ink on paper. I ask you to trust your sense of fairness and apply it to this legislation. Please support HB 5308 as written and HB 6841, with the revisions we have recommended.

Thank you for your attention.

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