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**Connecticut State Medical Society Testimony on**  
**Senate Bill 765 An Act Concerning Rental Network Contract Agreements**  
**Insurance And Real Estate Committee**  
**February 3, 2009**

Senator Crisco, Representative Fontana and Members of the Insurance and Real Estate Committee, on behalf of the more 7,000 members of the Connecticut State Medical Society (CSMS) thank you for the opportunity to present this testimony to you on Senate Bill 765 An Act Concerning Rental Network Contract Agreements.

The Connecticut State Medical Society worked with members of this Committee and representatives from the insurance industry during the 2008 Legislative Session to successfully craft and pass Public Act 08-126 An Act Concerning Regulation of the Secondary Market in Physician Discounts. We believe that this legislation prevents the inappropriate and unauthorized sale and purchasing of physician networks and contracts. It brings transparency to a practice that existed in which physician contracts and discounts were rented, leased or sold without the knowledge and approval of the physician. We were one of the first states in the country to enact this needed legislation in 2008 and expect to see a significant impact this year since the law took effect January 1, 2009.

While we understand the intent of Section 1 of Raised Bill 765 is to require that relevant information provided to physicians as required by Public Act 08-126 be provided on a timely and routine basis, we must raise a concern regarding the impact of the proposed language. Public Act 08-126 required entities defined in the bill to (1) maintain a website or toll free number through which physicians could obtain a list of covered entities to which a providers services, discounted rates have been sold, leased, rented, assigned or granted access to and (2) make that information available upon request at the time of entering a contract. It was the understanding of the CSMS throughout the development of last session's language that information provided through the website, toll-free telephone number and at the time of contacted needed to be available and updated on a real-time bases. For that reason, we feel that the language before you today in section 1 may weaken the language of Public Act 08-126. We ask that SB 765 be amended to remove this language or further clarify that web based and phone information be available real time with necessary and transparent information for physicians who want to know if they are contracted and at what rates.

Section 1 (g) of SB 765 we believe clarifies the intent of Public Act 08-126 to limit the unauthorized selling, leasing, renting, assigning, or granting of access to a provider's health care services or discounted rates. We support this language that clearly states that covered entities as defined in the public act who receive access to a provider's health care services may not in turn sell, lease, rent, assign or grant access to services and rates to another third party. We support this section of the proposed bill.

Public Act 08-126 was the product of compromise between physicians, insurers and leadership of this committee. We are proud of the product that was developed. With an implementation date of January 1, 2009, we look forward to working with the Commissioner of the Department of Insurance to ensure that appropriate parties are aware of and comply with the new statute and that the Commissioner can address any violation and apply any necessary and appropriate penalty.

Thank you for the opportunity to testify on Senate Bill 765.