

74

Testimony of Ken Rosenquest
President of the Connecticut Association of Ambulatory Surgery Centers
Before the Insurance Committee
In Support of SB 74, An Act Concerning A Prohibition Against Site of Service
Differential Rates.

February 10, 2009

Good Afternoon Senator Crisco, Representative Fontana and distinguished members of the Insurance Committee. My name is Ken Rosenquest and I am Vice President of Operations for Constitution Surgery Centers. I am here today as President of the Connecticut Association of Ambulatory Surgery Centers to speak in support of **SB 74, An Act Concerning A Prohibition Against Site of Service Differential Rates.**

In the fall, we participated in a Public Health Committee working group to look at the issue of Site of Service Differentials. More and more insurance companies across the country are turning to what they call *Site of Service Differentials* as a primary mechanism for reducing their overall reimbursement rates to providers. Following the committee meeting, the co-chairs of the working group suggested that this issue could be addressed through Standards in Contracting legislation.

A few years ago, the Connecticut General Assembly recognized patient safety concerns and appropriately acted to ensure that procedures requiring more extensive anesthesia must be done in safe and appropriate environments- surgery centers or hospitals- and no longer in physician offices. As part of this effort, Connecticut passed detailed regulations improving patient safety by eliminating unregulated, unlicensed surgical settings and also requiring surgery centers and hospitals to contract with patient safety organizations. Unfortunately, insurers are now using this legislation to penalize providers for complying with state statute.

In fact, some insurers have actually increased reimbursements to providers-if they provide care in their office rather than in the hospital or surgery centers. At the same time, almost cutting in half the reimbursement for providing care in the hospital or surgery center. In some instances, physicians actually modified their own offices to comply with safety regulations and state licensure requirements-all at great expense. Today, after all of the modifications, some providers will actually be reimbursed half as much.

When we broached the subject with the Insurance department and one of the insurers, the insurer actually indicated that they believed procedures like colonoscopy could actually be done in the office without anesthesia. (Clearly if you have ever had a colonoscopy, you would know that this is not the standard of care and not in the interest of the patient.) If patients are uncomfortable during this type

of procedure, perforations are more likely and the patient is likely to return for a follow up screening when appropriate.

It is our belief that the site of service differential flies in the face of the patient safety legislation passed by this very body. By passing SB 74 or Standards in Contracting legislation like SB 47, you will help to eliminate the "cookie cutter" approach to health care that some companies use in the name of controlling costs without regard to state statute or what is in the best interest of the patient.

Thank you for your consideration and I would be happy to answer any questions you might have.