



Quality is Our Bottom Line

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Insurance Committee Public Hearing

February 10, 2009

Connecticut Association of Health Plans

Testimony in Opposition to

SB 74 AAC Prohibition Against Site of Service Differential Payment Rates

The Connecticut Association of Health Plans respectfully urges the Committee's rejection of SB 74 AAC Prohibition Against Site of Service Differential Payment Rates.

The bill before you would essentially establish one rate for a particular service or treatment regardless of where it's performed. It is true that health plans pay differential rates to various facilities. Such rates may be established based upon facility costs, volume of services performed and other measures.

We would strongly suggest that the Committee think carefully in this economic climate about supporting this type of initiative which may drive higher margin services out of our not-for-profit hospitals and deliver them to the for-profit private physician offices of the suburbs. As you know, our state's hospitals are struggling and legislation of this nature could exacerbate their financial problems as well as drive up the cost of health care overall.

Thank you for your consideration.