



*Quality is Our Bottom Line*

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**Insurance Committee Public Hearing  
February 3, 2009**

**Testimony regarding**

**SB 765 AAC Rental Network Contract Arrangements.**

The Connecticut Association of Health Plans respectfully opposes SB 765 AAC Rental Network Contract Arrangements and urges the Committee's rejection of the bill.

Connecticut was ahead of the curve last year in its adoption of **PA 08-126 AAC Regulation of the Secondary Markets in Physician Discounts.**

The act requires a "contracting entity" that enters into or renews a contract with a health care provider on or after January 1, 2009 and sells, leases, rents, assigns, or grants access to that provider's health care services, discounted rates, or fees, to include a contract provision that it can permit a third party "covered entity" to access such provisions.

The act requires covered entities that access such services to pay the discounted rates or fees established in the provider's contract with the contracting entity. It specifies that a covered entity's right to access such provisions ends when the contract between the contracting entity and the provider terminates for all intents and purposes.

Under the act, all written and electronic remittance advices (payment notices sent to providers) must clearly identify the name of the covered entity responsible for paying the provider and the contracting entity whose payment rates and discounts apply.

In addition, the act requires each contracting entity to:

1. give a provider who requests it, when first contracting with him or her, a list of all known covered entities to which it may give access to his or her services, rates, or fees and
2. maintain a website or toll-free telephone number through which a provider can obtain a listing of covered entities having access to his or her services, rates, or fees.
3. requires a contracting entity or covered entity that issues a member ID card to clearly mark on the card the website address or toll-free telephone number.

Given that this legislation just went into effect on January 1<sup>st</sup> of this year – less than a month ago - we respectfully submit that it should be given an opportunity to work before the Committee adopts further modifications.

Many thanks for your consideration.