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Statement Concerning

Raised Bill 252 – An Act Concerning Medical Malpractice Data Reporting

Public Health Committee

March 4, 2010

The Connecticut Medical Group Management Association submits this statement concerning Raised Bill 252 - An Act Concerning Medical Malpractice Data Reporting.

The bill before you would expand professional liability insurance closed claim reporting requirements, grant the Insurance Commissioner the authority to fine entities that fail to submit reports as required and add confidentiality provisions. Our main concern with the bill is its definition of a "closed claim". The bill defines a closed claim as a claim that has been settled or otherwise disposed of by the insuring entity, self-insurer or health care provider, where all indemnity and expense payments have been made. A claim may be closed with or without an indemnity payment to a claimant. We interpret this to mean that a "closed claim" could be the "write off" of a balance due from the patient and that this would then be "reportable". This is problematic for physician offices as physicians sometimes forgive balances due from patients for reasons unrelated to a professional liability issue.

In recent years, the citizens of the State of Connecticut have faced increasing financial hardship due to rising rates of unemployment, increases in the rate of personal bankruptcy, the rising cost of health insurance as well as the prevalence of high deductible health plans. In this environment it is increasingly common for physicians to forgive patient balances due to a patient's financial hardship, particularly in the context of a patient suffering from a debilitating or terminal disease. Further, it would be difficult to retroactively determine the difference between a claim closed due to financial hardship versus one that was closed due to a liability claim.

We are concerned that, as written, the legislation would have the unintended effect of causing physicians to be less likely to forgive balances due from patients who find themselves dealing with financial hardship. While we do not believe that this was the intent of the legislation, it may be the effect. We hope that this Committee will consider clarifying the definition of a closed claim.

For more information, please call:

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