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Phillip Kerr

Testimony of the Connecticut Dermatology and Dermatologic Surgery Society,
Connecticut Society of Eye Physicians,
CT ENT Society,
CT Urology Society

For the Insurance and Real Estate Committee

on

H. B. No. 5090 AN ACT REGULATING THIRD-PARTY ADMINISTRATORS

on

February 18, 2010

Presented by Phillip Kerr, M.D.

Good afternoon Senator Crisco, Representative Fontana and other distinguished members of the Insurance and Real Estate Committee. For the record my name is Dr. Phillip Kerr, and I am a board certified dermatologist and dermatopathologist working in Farmington at the UConn Health Center. I am here in the capacity of President of the Connecticut Dermatology Society to represent several medical specialty groups in support of HB 5090 An Act Regulating Third-party Administrators.

For several years now health care providers have witnessed the entry of a plethora of companies administering provider claims, or certain aspects of employee benefit plans for Connecticut Managed Care Organizations (MCOs). This unregulated outsourcing poses a serious threat to the stability and viability of Connecticut's healthcare delivery system. Many Third Party Administrators (TPAs) not only manage claims processing but also manage utilization review and provider networks, this has created a whole new set of problems for physicians, including networks that appear to be cobbled together and unchecked utilization review processes. This is yet another example of the constantly changing rules that physicians are forced to deal with. This makes it impossible for physicians to adequately anticipate their office and staffing needs.

If Third Party Administrators are providing services on behalf of Managed Care Organizations, it is only logical that they be held to the same standards. We believe that TPAs must be licensed under the Connecticut Insurance Statutes and must adhere to the same regulatory authority and claims processing laws that managed care companies have to abide by. We, therefore, support the position and recommendations of the Connecticut State Medical Society on HB 5090.

Thank you for raising this important piece of legislation for consumers.