



CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION

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TESTIMONY OF  
ERIC GEORGE  
CONNECTICUT BUSINESS & INDUSTRY ASSOCIATION  
BEFORE THE  
JUDICIARY COMMITTEE  
LEGISLATIVE OFFICE BUILDING  
MARCH 24, 2010

My name is Eric George and I am Associate Counsel for the Connecticut Business & Industry Association (CBIA). CBIA represents approximately 10,000 businesses throughout Connecticut, the vast majority of which are small companies employing fewer than 50 people.

Both nationally and here in Connecticut, the health care system is in need of repair.

More needs to be done to improve the health of our citizens. Employers find health care costs rising faster than other input costs. Some providers are unable to generate sufficient patient revenue to cover costs. Some patients cannot get timely access to optimal care. And too many individuals remain without health insurance, engage in unhealthy behaviors and live in unhealthy environments.

For the business community, the issues of health care quality, cost and access are critical. After numerous years of double-digit and near-double-digit increases, health insurance has quickly become a product that many people and companies find they can no longer afford. In addition, the cost of health care directly affects businesses' ability to create new jobs. In fact, according to CBIA's latest membership survey, over two-thirds of our members indicated that rising health benefit costs alone are negatively affecting their ability to hire additional workers.

I am here to register CBIA's concerns over **SB 480, AN ACT CONCERNING COOPERATIVE HEALTH CARE ARRANGEMENTS**. As drafted, **SB 480** advances the interests of health care practitioners at the cost of health care patients and consumers. This would have implications for both workers' compensation costs and health care costs.

**SB 480** would exempt health care providers from Connecticut's protective antitrust laws.

Because antitrust laws are so fundamental to protecting consumers, exemptions to the laws are very limited. Such exemptions include: (a) bona fide organizations of employees; and (b) the promotion of legitimate labor interests. However, **SB 480** would exempt from antitrust laws independent, competing contractors – not employees. And it would exempt individual entrepreneurial interests – not labor interests. It would allow some independent contractors – doctors and other health care providers – to collectively exert economic pressure on health plans to gain higher fees. **SB 480** promotes one sector of the health care system – health care providers – at the cost of health care consumers.

By creating an exception to antitrust laws for health care providers, **SB 480** removes the fundamental and essential consumer protections contained in those laws. It protects health care providers at the cost of health care consumers. As noted by the Assistant Attorney General, Antitrust Division of the U.S. Department of Justice in opposing such exceptions at the federal level:

Our investigations reveal that when health care professionals jointly negotiate with health insurers, without regard to antitrust laws, *they typically seek to significantly increase their fees, sometimes by as much as 20-40%*. . . Providers have their own self-interests, and our enforcement actions and other experience suggest that their actions may not be congruent with the interests of consumers [emphasis added]. (Testimony before the House Judiciary Committee, June 22, 1999).

Thank you for considering my remarks and concerns with **SB 480**.