



Insurance & Real Estate Committee
Tuesday, March 1, 2011

Connecticut Association of Health Plans
Testimony in Opposition

SB 1082 AAC Utilization Review

The Connecticut Association of Health Plans opposes SB 1082 AAC Utilization Review. With respect to the new definitions of medical necessity provided in the bill, Connecticut already addressed this issue in 2007 and we would submit that additional action in this area is unwarranted.

Furthermore, Connecticut is recognized as a leader in the area of medical necessity determinations by virtue of the 1999 Managed Care Act which instituted an independent, third party, external appeal mechanism for both consumers and providers. Matters in question are forwarded, via the Department of Insurance, to an outside entity made up of physicians within the specialty practice in question. That entity reviews all relevant information from both sides and issues a decision that is binding on both parties. The external appeals process is a well-recognized effective manner in which to resolve issues of dispute. Further legislation in this area is unnecessary. As one plan stated upon reading the proposed bill, "it makes no bones about the fact that they think there should be no utilization review in Connecticut at all. The provisions are so onerous that [one] can only read [them] as an attempt to force health plans to not perform medical reviews anymore."

In addition we have considerable concern with respect to the new provisions under the bill that alter definitions and timetables under the utilization review statutes many of which we believe are in conflict not only with the federal governance of ERISA, but also with the requirements of the Patient Protection and Affordable Care Act (PPACA). In fact, we've recently learned that the Department of Insurance is going to be undertaking a review of these statutes and submitting language themselves to assure conformance of the underlying statute with PPACA and we would urge the Committee to work with the Department and the industry in respect to that legislation rather than moving forward with SB 1082.

The pricing and operational issues associated with the approach laid out in this proposal are grave; no other state we are aware of has done anything resembling changes like those proposed here. If legislation resembling this proposal passes, the implications are clear: less affordability and more uninsured. We ask for your rejection.