

Testimony of
The Connecticut ENT Society
The Connecticut Society of Eye Physicians (CSEP),
The Connecticut Dermatology and Dermatologic Surgery Society (CDS)
Connecticut Urology Society
Connecticut Chapter of the American College of Surgeons
In Support of
HB6343 An Act Concerning Cooperative Health Care Arrangements

Given by Anthony Musto, M.D. (ophthalmology) Art Tarantino, M.D.(Urology)& Ray Winicki, M.D.(ENT)
Before the Judiciary Committee
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Good afternoon Senator Coleman, Representative Fox and other distinguished members of this committee. For the record my name is Dr. Art Tarantino and I am joined here by my fellow colleagues Dr. Anthony Musto and Dr. Ray Winicki. We are all board certified physicians practicing in Ophthalmology, Urology, and ENT, respectfully. We are here to represent over 1500 physicians in the medical specialties of Urology, ENT, Ophthalmology, Dermatology and General Surgery in Strong Support of HB 6343 An Act Concerning Cooperative Health Care Arrangements. Despite our new members and new chairmen, I am certain some of you on this committee recall one of my colleagues, Dr. William Ehlers, who gave testimony on this very same bill on Feb 29th (leap year) in 2000.

Since then many physicians, including members of these above mentioned societies have testified in support of the very language that is before you today. Our message is clear and remains unchanged since 2000- "We need to level the playing field between MCO's and health care providers." But more importantly, we have all witnessed a decline in the delivery of healthcare and an increase in consumer spending on healthcare premiums.

Physicians in this state and across the nation are shocked by the industry's greed. We have watched almost helplessly, year after year, as premiums rise, and co-pays and deductibles increase, while reimbursements to physicians and other healthcare providers decrease, and the MCO medical loss ratios decline. Fewer and fewer dollars are going towards direct medical costs and more and more of these dollars are going into the deep pockets of Managed Care Organizations CEOs, upper and middle management, lobbyist fees, advertising and stockholder profits.

HB 6343 could emphatically change this imbalance by enacting the "state action exemption" allowed under federal antitrust law. This would give physicians the ability to bring the managed care industry to the table and debate some of the more egregious consumer benefit cuts and denials of services, procedures and stays which we are seeing today.

This exemption would give Health Care providers the ability to negotiate with MCO's under the watchful eye of the state Attorney General's office and ask the questions that need to be asked. For the past eleven years the industry has successfully beaten down this bill, by implying that physicians would strike. I am here to say, physicians have no intention of striking, and like the state employees would be willing to include a provision in the statute that would prevent us from striking. What we truly want is to bring the Managed Care industry to the table and get fair resolutions on consumer health issues. It is that simple.

There is no profession more qualified to go head to head with the industry and advocate for our patients than medical doctors. We would also like to highlight that the insurance industry is already afforded a limited exemption from antitrust prosecution under the McCarran Ferguson Act of 1945.

Everyone on this committee knows that there have been significant changes in Health Care since my fellow colleague, Dr. Ehlert testified in 2000. Our office expenses including energy, regulatory compliance, and the costs of providing

benefits including health care for our employees have increased dramatically. In addition, much of the nation experienced a professional liability cost crisis in recent years. Unfortunately, Connecticut remains the only state in the

nation still considered to have a professional liability crisis. As if this weren't bad enough, physicians are often

powerless against the heavy-handed tactics of HMO's and their ability to present "take it or leave it" contracts which

include most favored nation clauses, which are an unfair way the industry insures that they get the lowest price on fees

from providers. Physicians have no recourse on unilateral changes made by the MCO's during the contract period on fee

schedules, formulas, and provider panels. It is incomprehensible that these large companies with legions of lawyers,

actuaries, and MBA's cannot develop contracts they can leave in effect unaltered for the contract period.

But there are other onerous practices. Providing multiple services during a single patient visit can bring more efficient

and timely care to correctly diagnose and treat our patients' ailments. Bundling so puts physicians at risk for bundling of

services which are not in compliance with CPT code guidelines, effectively denying payment for some of the work done.

In addition, MCO's often arbitrarily reduce or downgrade the level of service provided, and MCO's are also performing

retroactive audits and taking back money from services rendered as long as three years ago for "administrative errors".

Physicians currently have no recourse when this occurs and the money is taken automatically out of current payments

(explanations of benefits) from the MCO. Please understand that we do not seek to protect any physician who engages

in fraud or abuse in his or her coding and billing practices. The MCO's can and do monitor practice patterns and they are

able to identify providers whose billing patterns are outside specialty norms. They can then review the charts of any

outlier and take appropriate action.

An additional advantage of allowing physicians to negotiate with MCO's is that we would not be coming before you every

year, taking up your valuable time seeking a legislation or regulation to manage some area of our dealings with the

insurance industry. It is critical to understand that we are not seeking an unfair advantage; we simply want to be able to

form professional alliances and negotiate fair contracts with MCO's.

Recent studies have suggested that there is an impending shortage of physicians in Connecticut. It is very difficult to

recruit young physicians to join Connecticut practices under the conditions I have described. By passing HB6343, MCO's

will be brought to the table to discuss fair fees for physicians and better quality of care for patients. On behalf of the

1500 ENT, Eye, Urology, General Surgeons and Dermatology doctors in this state, we ask you to support HB6343 and

balance the power in Health Care in Connecticut before it is too late.

Thank you for your consideration.