

Written Testimony of  
The Connecticut ENT Society  
The Connecticut Society of Eye Physicians (CSEP),  
The Connecticut Dermatology and Dermatologic Surgery Society (CDS)  
Connecticut Orthopaedic Society  
Connecticut Urology Society  
In Support of  
**SB182 An Act Concerning Cooperative Health Care Arrangements**

Submitted to the Labor Committee  
February 28, 2012

On behalf over 1300 physicians in the medical specialties of Urology, ENT, Ophthalmology, Orthopaedic and Dermatology please support SB 182 An Act Concerning Cooperative Health Care Arrangements.

It has been almost twelve long years since Dr. William Ehlers, first 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, lower Medical Loss Ratios from the insurers 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. Despite national legislation to control the rise in dollars being spent on administrative expenses vs, true medical expenses, physicians are still seeing necessary medical treatments being denied. The money from these denials are being used instead to pay the deep pockets of Managed Care Organizations CEOs, upper and middle management, lobbyist fees, advertising and stockholder profits.

SB182 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 twelve years the industry has successfully beaten down this bill, by implying that physicians would strike. Clearly, 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. Ehlers 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, formularies, 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. But doing 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 downcode 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 MCOs 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 MCOs.

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 1000 ENT, Eye, Urology and Dermatology doctors in this state, we ask you to SB182 and balance the power in Health Care in Connecticut before it is too late.

Thank you for your consideration.