CONNECTICUT HOSPITAL ASSOCIATION

TESTIMONY OF CONNECTICUT HOSPITAL ASSOCIATION SUBMITTED TO THE LABOR AND PUBLIC EMPLOYEES COMMITTEE Thursday, March 14, 2013

SB 1074, An Act Concerning Workers' Compensation And Liability For Hospital Services

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony concerning **SB 1074, An Act Concerning Workers' Compensation And Liability For Hospital Services.** CHA opposes the bill as written.

Before outlining our concerns, it's important to detail the critical role hospitals play in the health and quality of life of our communities. Connecticut hospitals are more than facts and figures, and dollars and cents. Hospitals, at their core, are all about people. All of our lives have, in some way, been touched by a hospital: through the birth of a child, a life saved by prompt action in an emergency room, or the compassionate end-of-life care for someone we love. Or perhaps our son, daughter, husband, wife, or friend works for, or is a volunteer at, a Connecticut hospital.

Hospitals provide care to all people regardless of their ability to pay. Connecticut hospitals are the ultimate safety net providers, and their doors are always open.

Every day, healthcare professionals in hospitals see the consequences and health implications for individuals and families who lack access to care and coverage. Emergency departments are filled with individuals who cannot find a physician to care for them because they are uninsured or underinsured – or they are Medicaid beneficiaries and few physicians will accept the low rates paid by Medicaid. Throughout Connecticut, our emergency rooms are treating both those who have delayed seeking treatment because of inadequate or no coverage, and those who have no other place to receive care.

SB 1074 as proposed would make two significant changes. First, it would change the workers' compensation liability for hospital services from what is currently required under Connecticut General Statutes Section 19a-166 (i.e., rates and fees negotiated between the payer and the hospital to a set of costs determined by the Commissioner). Second, it would limit the statute of limitations to 18 months for old cases and 12 months for cases submitted after July 1, 2013.

If passed, SB 1074 would interfere with the orderly resolution of disputes currently pending before the Compensation Review Board (CRB). At issue in the pending disputes is the refusal of a small number of workers' compensation insurers to negotiate rates and methods of reimbursement with hospitals as required by Connecticut General Statutes Section 19a-166; this minority of insurers prefer a system where they decide, claim by claim, what they are going to pay, and hospitals are left to appeal, claim by claim, if they don't agree.

The parties to this dispute have agreed to take as test cases certain claims so that matter can be resolved. As a consequence, we would ask that you vote against SB 1074 so that the matters currently pending can be resolved in the manner in which the parties agreed. The current decision in this matter, which is currently in the appeal process, is attached.

We appreciate your consideration of our position.

For additional information, contact CHA Government Relations at (203) 294-7310.

DAVID THOMPSON, et al. **EMPLOYEES**	:	STATE OF CONNECICUT WORKERS' COMPENSATION COMMISSION
VS.	:	
J & J PROPERTIES, et al. **EMPLOYERS**	:	SECOND DISTRICT NORWICH, CONNECTICUT
and	:	FILE NO. 200151995 (Thompson) FILE NO. 200158976 (Caraballo) FILE NO. 200115873 (Gray) FILE NO. 400008394 (Erickson)
LIBERTY MUTUAL INSURANCE, et al. **RESPONDENT INSURERS**	:	HON. DAVID W. SCHOOLCRAFT, COMMISSIONER
and	:	
LAWRENCE & MEMORIAL HOSPITAL, WILLIAM W. BACKUS HOSPITAL **CLAIMANT HOSPITALS**	:	SEPTEMBER 17, 2012

MEMORANDUM

The issue presented in this case[1] is the rate at which the hospital is entitled to be compensated under Connecticut General Statutes Section 31-294d for services provided to the injured workers on account of a compensable work-related injury.

I. BACKGROUND

In each of these cases the claimant sustained a compensable work-related injury for which compensation was paid under the Connecticut Workers' Compensation Act, Chapter 568 of the Connecticut General Statutes. As a result of his injuries, each of the claimants was treated at either the Lawrence & Memorial Hospital in New London or the William Backus Hospital in Norwich. In each case, the hospital submitted a bill for its services to the respondent insurer (or self-insured, in the case of Electric Boat). In each case, the amount billed was based upon the hospital's "published charges," i.e., the list of charges on file with the Connecticut Office of Health Care Access, hereinafter, OHCA. In each case the respondent employer/insurer referred the hospital's bill to an outside company, Fairpay Solutions, Inc., for review. The purpose of the review was to get an opinion on the "actual cost" of the services provided by the hospital to the injured worker. In each case, based on the assessment of Fairpay, the respondent employer/insurer paid to the hospital an amount

[1] The following cases were consolidated for purposes of this hearing because they all concern the same issue: Gregory Gray v. Electric Boat Corporation, Case No. 200115873; David Thompson v. J&J Properties, Inc., Case No. 200151995; Peter J. Erickson v. United Parcel Service, Case No. 400008394; and Luis Caraballo v. Electric Boat Corporation, Case No. 200158976.