



CONNECTICUT
HOSPITAL
ASSOCIATION

**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Wednesday, March 20, 2013**

**HB 6588, An Act Concerning The Expiration Of Certain Health Care
Provider Contracts**

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony concerning **HB 6588, An Act Concerning The Expiration Of Certain Health Care Provider Contracts**. CHA opposes this bill.

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.

In HB 6588, subsection (b) of Section 1 requires that 90 days before the expiration of a contract, the hospital or physician-hospital organization shall provide written notice to all current patients that may be affected by the expiration of such contract. The notice must inform patients of the contract expiration date; provide information about how patients can continue existing coverage or secure alternative coverage; and offer appropriate contact information for the hospital or physician-hospital organization, the insurer, the relevant healthcare center or medical service corporation, and the Office of the Healthcare Advocate.

While perhaps well-intentioned, if enacted, subsection (b) of Section 1 would likely do more harm than good by causing needless worry for those in care. Contracts between providers and insurers are of limited duration and are frequently renegotiated. Sometimes those negotiations are contentious and involve threats of cancellation without renewal, but only in very rare instances is a contract not renewed. Given the rarity of non-renewal, it would be inappropriate to unduly worry patients with an eventuality that will not come to pass. In addition, it would not be appropriate for hospitals to advise individuals of their coverage rights under their insurance contract.

Subsection (c) of Section 1 requires that within 30 days of a contract expiring, the hospital or physician-hospital organization shall: (1) obtain a certification or accreditation from the National Committee for Quality Assurance (NCQA) or the Utilization Review Accreditation Commission (URAC) that the network of providers is likely to remain consistent with the NCQA's network adequacy requirements or URAC's provider network access and availability standards after expiration of such contract; and (2) submit such certification or accreditation to the Insurance Commissioner. We are concerned that subsection (c) imposes requirements upon hospitals and physician-hospital organizations that would be impossible for them to meet. A hospital or physician-hospital organization would not have information concerning the insurer's network to satisfy URAC requirements. Additionally, we do not believe hospitals and physician-hospital organizations would be able to apply for a certification of an insurer's network.

Thank you for your consideration of our position.

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