



**Testimony of Victoria Veltri  
State Healthcare Advocate  
Before the Public Health Committee  
In support of SB 892  
March 15, 2013**

Good morning, Representative Johnson, Senator Gerratana, Senator Welch, Representative Srinivasan, and members of the Public Health Committee. For the record, I am Vicki Veltri, State Healthcare Advocate with the Office Healthcare Advocate (“OHA”). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

Thank you for the opportunity to testify about SB 892, An Act Concerning Cost Estimates For Certain Healthcare Services. This bill addresses an issue that has long been out of alignment with the basic principles of equity. In most other professions where consumers routinely experience significant charges, there is a reasonable expectation that the individual providing the service give the consumer an estimate of the costs prior to the service being rendered, as well as an expectation that the estimate is a reasonable approximation of the actual final cost. This serves multiple purposes. It gives the consumer adequate notice and the ability to make an informed decision about where and with who to contract to receive the service, promotes free market competition by enabling consumers to compare prices from multiple vendors and select the most cost effective service based on their priorities and, most importantly, increases transparency in an industry whose costs are shrouded in mystery.

In 2010, healthcare costs in the United States were \$2.6 trillion dollars, with more than half of that going to pay for hospital care and provider services. As insurance carriers and employers continue to shift

these costs onto the consumer through increased cost sharing and deductibles, empowering consumers with more information about these costs becomes more important than ever. Although the majority of people who consume healthcare have insurance to assist with these unmanageable and frequently irreconcilable costs, the proliferation of increasingly high deductibles potentially places each one of us only one major healthcare crisis away from personal and financial ruin.

OHA enthusiastically supports SB 892, which is an important step in correcting this flaw in our healthcare system. None of us would expect to purchase a car without knowing the price before we agreed to buy it, and yet we are expected to accept medical services that can easily equal the cost of a new car, and in serious medical situations, exceed that many times over, without a reasonable idea of the ultimate cost, or any rational relationship between the charges and actual costs. By requiring providers to give a good faith estimate of the costs for services, consumers can make educated decisions about the care that they receive and how they receive it. While the one thousand dollar requirement represents a reasonable starting point, it should be clear that when providing an estimate, the provider should consider the total cost of each episode of care, not necessarily just each service included in the delivery of that care. It is not at all uncommon for one simple procedure to include charges for physician services, lab or support services, facility charges as well as charges for individual materials. While each of these by themselves may not approach one thousand dollars, although frequently they will, they are all necessary components of the service and, when combined, could easily exceed one thousand dollars or more. OHA was contacted by an individual about charges for an MRI that she received at a local hospital that took 30 minutes. She asked what it would cost and was told that they couldn't give her that information, but not to worry since it was covered by insurance. When she received the bill, the charges totaled over \$2,500.00 from both the hospital and provider, with a \$1,300 liability due to her deductible. Had she been informed of the costs, she may have opted to compare costs with other facilities with lower charges and no additional facility fees.

SB 892 merely extends to healthcare services the same rights and protections that consumers enjoy elsewhere in the free market. Thank you for providing me the opportunity to deliver OHA's testimony today. If you have any questions concerning my testimony, please feel free to contact me at [victoria.veltri@ct.gov](mailto:victoria.veltri@ct.gov).