



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
GENERAL LAW COMMITTEE
Thursday, March 6, 2014**

**HB 5337, An Act Concerning Fees Charged For Services Provided At Hospital-
Based Facilities**

The Connecticut Hospital Association (CHA) appreciates this opportunity to testify on **HB 5337, An Act Concerning Fees Charged For Services Provided At Hospital-Based Facilities.**

It's important to detail the critical role hospitals play in the health and quality of life of our communities. 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 treat everyone who comes through their doors 24 hours a day, regardless of ability to pay. In 2012, Connecticut hospitals provided nearly \$225 million in free services for those who could not afford to pay.

Connecticut hospitals are committed to initiatives that improve access to safe, equitable, high-quality care. They are ensuring that safety is reinforced as the most important focus—the foundation on which all hospital work is done. Connecticut hospitals launched the first statewide initiative in the country to become high reliability organizations, creating cultures with a relentless focus on safety and a goal to eliminate all preventable harm. This program is saving lives.

Providing culturally competent care, eliminating disparities, and achieving health equity are also priorities of Connecticut hospitals. The CHA Diversity Collaborative, a first-in-the-nation program to achieve these goals, has been recognized as a national model.

The benefits of hospitals extend well beyond their walls, as they strive to improve the health of our communities and play a vital role in our economy. Connecticut hospitals provide great jobs to more than 55,000 people who make sure we have access to the very best care whenever we need it. Every hospital job creates another job in our community. In total, Connecticut hospitals generate more than 110,000 jobs in our communities and contribute more than \$20 billion to the state and local economies.

Generations of Connecticut families have trusted Connecticut hospitals to provide care we can count on.

Connecticut hospitals support initiatives to improve transparency, so patients know what the healthcare services they receive will cost. Hospitals took very seriously the concerns the Attorney General brought forward last fall about patients not understanding how many bills they would receive, how much their care would cost, or the options available to them to get more information. In response, hospitals took the time to develop and unanimously endorse a set of recommended policies to address those concerns. Attached to this testimony is a copy of the statewide CHA Board-approved policy.

We understand that the Attorney General has requested that the language of the section 2(a) and 2(b) be amended to replace the phrase "current procedural terminology (CPT)" with "current procedural terminology evaluation and management (CPT E/M)." This is a welcomed change that provides the bill with additional clarity.

We appreciate the willingness of the Attorney General's Office to work with us to craft legislation that supports our mutual goal of transparency, and look forward to working with the Attorney General's Office after today's hearing to review several of the definitions, including "affiliated provider," "health system," and "hospital-based facility," to better understand to whom the bill would apply and to further improve clarity. We appreciate the effort the Attorney General has made to bring this issue to light and look forward to supporting this important legislation.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.

Connecticut Hospital Association Policy Position on Facility Fees and Physician Services

Last fall, Attorney General George Jepsen brought to light a concern that patients seeking care at physician offices that are part of a hospital might not know they are being treated at a hospital, that they would receive two bills for that care, and that the cost for the care would be higher because the hospital facility fee now covers a portion of the hospital's ongoing operating expenses. The Attorney General solicited feedback directly from patients as he crafted legislation to provide meaningful notice and pricing transparency for consumers.

Connecticut hospitals agree that when seeking a physician, patients should not be surprised to learn after the fact that they are being treated at a hospital, or that they will receive two bills and the facility fee covers a portion of the hospital's ongoing operating expense.

On January 27, 2014, the CHA Board of Trustees approved the following policy position on facility fees and physician services:

We believe it is important for patients to understand both the care they are receiving as well as the cost of that care. To help patients better understand the cost of care, we believe patients should know when they are receiving care at a department of the hospital, how many bills they are likely to receive, and an estimate of the typical charges.

To accomplish a better understanding of the cost of care, we recommend that by March 1, 2014, at every off-campus hospital-based provider location, Connecticut hospitals provide written notice to every patient of the following:*

- *That he or she is receiving services in an outpatient department of the hospital;*
- *The amount of the patient's potential financial liability; or*
- *If the exact type and extent of care needed are not known, an explanation that the patient will:*
 - *incur a coinsurance liability to the hospital that he or she would not incur if the facility were not a hospital outpatient department,*
 - *receive an estimate based on typical or average charges for visits to the facility,*
 - *be given a statement that the patient's actual liability will depend upon the actual services furnished by the hospital, and*
 - *receive a statement that the patient should contact his or her insurer for information about what his or her insurance covers, and his or her financial responsibility for the services.*

The written notice must be one that the patient can read and understand, and if the patient is unconscious, under great duress, or for any other reason unable to read a written notice and understand and act on his or her own rights, the notice must be provided, before the delivery of services, to the patient's authorized representative. In cases where a hospital outpatient department provides examination or treatment that is required to be provided by the Emergency Medical Treatment and Active Labor Act (EMTALA), the notice must be given as soon as possible after the existence of an emergency has been ruled out or the emergency condition has been stabilized.

** Except those patients covered by Medicaid or Workers' Compensation, who are not subject to insurance co-pays.*