

**Connecticut State Medical Society, Connecticut Society of Eye Physicians, Connecticut Dermatology & Dermatologic Surgery Society, Connecticut ENT Society and Connecticut Urology Society**

**Testimony In support House Bill 5579 An Act Extending the Grace Period for Nonpayment of Premium for Certain Health Plans and Concerning Disclosure by Health Carriers to Healthcare Providers of Enrollees' Paid-up Status  
Presented to the Insurance and Real Estate Committee  
March 18, 2014**

Senator Crisco, Representative Megna and other distinguished members of the Insurance and Real Estate Committee, on behalf of the physicians and physicians in training of the Connecticut State Medical Society (CSMS) American College of Surgeons Connecticut Chapter (CTACS) and the American College of Physicians Connecticut Chapter (CTACP), and all of the physician organizations included above, thank you for the opportunity to provide this testimony to you today in support of the concept of House Bill 5579 An Act Extending the Grace Period for Nonpayment of Premium for Certain Health Plans and Concerning Disclosure by Health Carriers to Healthcare Providers of Enrollees' Paid-up Status. This legislation would provide transparency surrounding an untenable situation created by a section of the Accountable Care Act (ACA) and the implementing regulations for physicians participating in plans offered through our State's Health Insurance Exchange, AccessCT.

Under the ACA, enrollees in plans offered through AccessCT who fail to pay premiums enter what is considered a ninety day "grace period". During this period patients technically are considered to have coverage, but insurers may withhold payment to physicians during the second and third months of the grace period until payment of premium is received. Should payment not be received, physicians who already provided procedures and services to the patient during that period most likely will not be reimbursed for services provided.

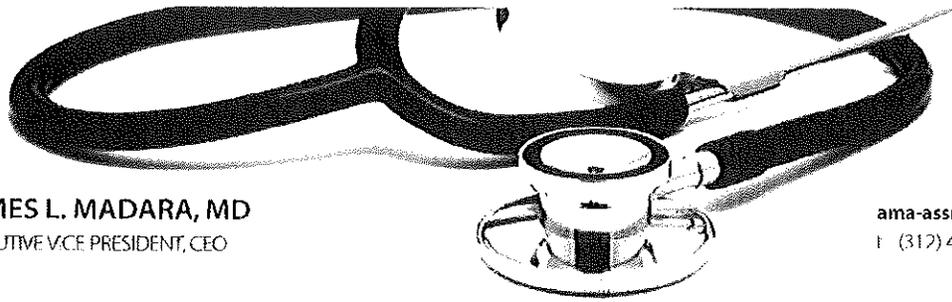
While the Centers for Medicare and Medicaid Services (CMS) encourage insurers to respond to requests regarding eligibility from physicians, the guidance is vague. Uncertainty around notification has led to concern among many physicians and could impact the ability of insurers participating in AccessCT to offer adequate networks of physicians for their enrollees.

House Bill 5579 would require insurers to provide timely information regarding eligibility should a patient be in the "grace period." Further, it requires the insurer to clearly communicate to physicians regarding actions it plans to take when a person is in the "grace period" such as "pend" payment of the claim, pay the claim, or pay the claim and seek to recoup payment of the claim should premium not be received.

Transparency regarding eligibility of expected patient care procedures and services will allow physicians to make appropriate determinations regarding their ability to provide care and work with their patients to ensure they receive coverage necessary for the services they need.

However, we must raise concern with language contained in Section 1(b)(1) that seems contrary to the intent of the proposed legislation and runs counter to ACA requirements. This language appears to require insurers offering products through the exchange to establish an additional grace period beginning January 1, 2015. There is no indication regarding the length of the period to be established. We have clearly stated concerns regarding the 90 day grace period required by the ACA. Any addition length of a grace period would simply exacerbate the situation and cause more access problems because of the lack of certainty of both coverage and payment.

We have attached to our testimony information from the American Medical Association (AMA) echoing our concerns with the “grace period” and in strong support of the bill. Please support HB 5579.



JAMES L. MADARA, MD  
EXECUTIVE VICE PRESIDENT, CEO

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March 18, 2014

The Honorable Joseph J. Crisco  
The Honorable Robert W. Megna  
Co-Chairs  
Insurance and Real Estate Committee  
Connecticut General Assembly  
Room 2800, Legislative Office Building  
Hartford, CT 06106

Re: AMA Support for Raised Bill 5579, "An Act Extending The Grace Period for Nonpayment of Premium for Certain Health Plans and Concerning Disclosure by Health Carriers to Health Care Providers of Enrollees' Paid-Up Status"

Dear Senator Crisco and Representative Megna:

On behalf of the American Medical Association (AMA) and our physician and student members, I am writing in **support of Raised Bill (R.B.) 5579**, "An Act Extending The Grace Period for Nonpayment of Premium for Certain Health Plans and Concerning Disclosure By Health Carriers to Health Care Providers of Enrollees' Paid-Up Status." The AMA supports this legislation because it would, among other improvements, require health insurers to provide physicians with necessary information to help ensure continuity of care for patients in Connecticut's health insurance exchange plans.

Under the Affordable Care Act (ACA), if certain patients fail to pay their premiums, they enter a 90-day "grace period." During this time, patients continue to have coverage, but insurers may withhold payment to physicians during the second and third months of the grace period until patients pay their premiums. If patients fail to pay their premiums by the end of the grace period, physicians may not receive payment for care provided. Many physicians will struggle to absorb the potential financial impact of this provision.

Also under the ACA, insurers are broadly required to notify physicians of patients' grace period status. While guidance from the Centers for Medicare & Medicaid Services encourages insurers to do so when responding to an eligibility verification request, the precise timing and content of the notification is entirely too vague. The uncertainty around notification has led to concern among many physicians and has the potential to cause confusion and disruption to physicians' offices, hospitals and patients seeking care under the ACA.

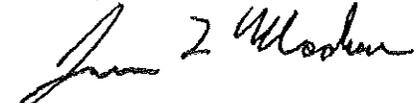
R.B. 5579 will help alleviate these problems for patients, physicians and other providers because it requires insurers to provide specific, detailed information in a timely manner to physicians regarding a patient's grace period status. It also requires the insurer to be transparent with physicians and other health care providers regarding actions the insurer intends to take when a patient is in the grace period. By increasing transparency and providing a reasonable measure of clarity about the grace period, R.B. 5579

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also may have the additional and important benefit of encouraging Connecticut's physicians to participate in the state exchange.

For the aforementioned reasons, the AMA supports R.B. 5579. If you have any questions, please feel free to contact Daniel Blaney-Koen, Senior Legislative Attorney, Advocacy Resource Center, at [daniel.blaney-koen@ama-assn.org](mailto:daniel.blaney-koen@ama-assn.org) or (312) 464-4954 or Emily Carroll, Senior Legislative Attorney, Advocacy Resource Center, at [emily.carroll@ama-assn.org](mailto:emily.carroll@ama-assn.org) or (312) 464-4967. Thank you for the opportunity to provide our input. We look forward to working with you toward enactment of this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and "M".

James L. Madara, MD

cc: Members of the Joint Committee on Insurance and Real Estate  
Connecticut State Medical Society