

TESTIMONY OF
JOAN OROWSON
Director, Patient Business Services
The William W. Backus Hospital
before the
LABOR AND PUBLIC EMPLOYEES COMMITTEE
Tuesday, February 18, 2014

Re: Opposition to Raised Bill No. 61 - "AN ACT CONCERNING WORKERS'
COMPENSATION AND LIABILITY FOR HOSPITAL SERVICES"

Good afternoon, Senators, Representatives and Members of the Labor and Public Employees Committee.

Thank you for this opportunity to express serious concerns about Raised Bill No. 61, and urge you to reject it. I am Joan Orowson, Director of Patient Business Services at The William W. Backus Hospital in Norwich. Our hospital is one of the parties involved in an important Workers' Compensation Commission case which was decided on September 17, 2012, by a Workers' Compensation Commissioner.

That decision rejected claims settlement practices then used by Fairpay Solutions, Inc., in Connecticut and ordered Fairpay and its clients instead to follow longstanding requirements governing hospital reimbursement. Those requirements, set forth in Section 19a-646 of the Connecticut General Statutes, state that hospitals are to be reimbursed based on freely negotiated rate agreements or on published charges.

This case has been appealed to the Connecticut Supreme Court. All briefs have been filed and the matter will be heard this term. My colleagues and I are deeply concerned that you are reviewing a proposal to change the legislation regarding payment to hospitals for services provided to patients covered by Workers' Compensation at the same time this is under the appropriate review. Bluntly, it looks like an end-run around the established review process, which contains legally accepted appropriate judicial appeals. You should let the appeal process run its course.

Backus Hospital has always operated under a system under which we negotiate contracts with insurance companies or preferred provider organizations in all areas including workers' compensation.

This system changed when Fairpay Solutions came to Connecticut in 2007. I would like to focus my testimony to actual dealings and difficulties my hospital has experienced in attempting to obtain adequate compensation from Fairpay Solutions for health services provided to Fairpay's clients.

Backus Hospital has pursued appropriate reimbursement of several accounts that were repriced by Fairpay Solutions. In many instances this has entailed months of discussions with Fairpay, with every claim of underpayment being disputed, and ultimately requiring the assistance of attorneys to help us obtain appropriate reimbursement for the services we provided.

The rates reimbursed were often less than those paid by Government payers. Backus has logs detailing serious underpayments of more than 300 accounts.

We appreciate your careful consideration of this matter, and respectfully request that the Labor and Public Employees Committee and the General Assembly Reject Raised Bill No. 61.

Respectfully submitted,

Joan Orowson
Director, Patient Business Services
The William W. Backus Hospital
326 Washington Street
Norwich, Connecticut 06360