

March 5, 2014

SB – 35 Act Concerning Acquisitions, Joint Ventures and Affiliation of Group Medical Practices

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Good Morning Senator Gerratana, Representative Johnson and members of the Committee on Public Health:

My name is Gloria Timpko and I am in favor of Senate Bill 35. I have worked for Yale University in the Department of Cardiology, Section of Congestive Heart Failure and Transplant for 13 years. I am a Senior Administrative Assistant and I would like to speak to you about my experience with provider-based billing practices at Yale New Haven Hospital. When I started in 2001 at Yale and Cardiology, our clinic was managed by the University and as such had input to the day-to-day operations. However, in 2012 this clinic became managed by Yale New Haven Hospital and is part of a growing provider-based clinic in the New Haven area. Our clinic treats and cares for hundreds of outpatients each year. Along with other clinical departments, the Yale School of Medicine is the largest specialty doctor's practice in Connecticut.

An aspect of my job often allows me to act as a patient advocate for our patient population and over the past year, I have fielded calls from these patients inquiring about additional bills they have received when coming to a clinic visit. They are being seen at the same facility, by the same physicians and nurses, however now they are getting additional bills. This is because as a hospital based clinic, the hospital is allowed to charge "facility fees" on top of whatever patients are paying to providers. This is also known as provider-based billing. All of a sudden we were technically "owned" by Yale New Haven Hospital. Many of these heart transplant patients are on fixed incomes with high expenses for the many post transplant medications they require to prevent rejection of their new organ. These patients, specifically within weeks or months of transplant, need to be seen on a weekly basis for the first couple of months following transplant and therefore the cost of their medications and the now rising clinic visit costs are proving to be a severe burden to our patients. Uninsured patients or those with high deductibles who experience routine appointments suffer significantly bigger bites out of their family budgets.

I have also experienced the rising cost of healthcare from a personal perspective. I am the caretaker for my elderly mother who is on a fixed income and recently when she was seen by her physician, had to pay two bills, one at the provider's office, her normal copay and then three weeks later she received another bill which was significantly higher than her usual copay. When I inquired at the visit whether there would be an additional fee, the office staff had no idea what I was talking about and stated that just her normal copay

would be required at the time of the visit, the balance to be billed to her insurance. The fact that office staff and physicians are not notifying patients of their co-insurance liability is concerning, since there is not much a patient can do after the fact.

I have personally seen the rate at which hospitals, specifically Yale New Haven Hospital, are buying up doctors' practices. It is a makeover of our health care system, but one which currently has little oversight. Senate Bill 35 is a good step forward in that when Yale New Haven Hospital took over our clinic there was no process of review at all. Giving the Attorney General a chance to review these transactions will help protect the public.

I strongly support the data reporting requirements in Senate Bill 35 making hospitals disclose which practices they own or control, which will allow patients, insurers and policymakers to start to get a handle on the much higher costs that "facility fees" charged at hospital owned clinics are imposing on patients.

However, all sudden price increases may not be prevented through anti-trust review. When a hospital buys its first practice in a market, the prices for that practice can go through the roof, even though there would be no change in traditional tools used by regulators to measure the threat of monopoly. The committee should adopt all the provisions of Senate Bill 35 and add a requirement that these transactions go through review for the impact on access and cost through a certificate of need.

Sincerely,

Gloria Timpko