



Connecticut State Medical Society Testimony
Senate Bill 814 An Act Concerning Accountable Care Collaboratives
Public Health Committee
March 11, 2015

Senator Gerrantana, Representative Ritter and other distinguished members of the Public Health Committee. My name is Matthew Katz and I am the Executive Vice President and CEO of the Connecticut State Medical Society (CSMS). On behalf of the physicians and physicians in training of CSMS and the American College of Surgeons Connecticut Chapter (CTACS) we are here today to support the concepts in **Senate Bill 814 An Act Promoting Accountable Care Collaboratives**.

Not long ago, the Connecticut medical landscape was dominated by small, community medical practices. Increasingly, however, physicians are giving up their medical practices and their independence to join larger medical groups or hospital systems. While this paradigm shift is undoubtedly occurring, and will continue to occur, there are many physicians in Connecticut who wish to remain in solo or small-group community practice. These physicians value their autonomy want the ability to continue to provide quality care to their patients by remaining in independent practice.

Community physicians are struggling. The costs of and impediments to remaining in a community practice are staggering. Community physicians have virtually no negotiation power when it comes to negotiating managed care contracts. They are faced with one-sided “take it or leave it” contracts and have no ability to negotiate these contracts. Coupled with staggering costs of liability insurance and the shift towards electronic medical records, the remaining community physicians are teetering on the edge of practice survival. The decline of the community physician is transforming medicine in Connecticut and driving many physicians into a corporate-style practice of medicine.

Senate Bill 814 is a critical piece of legislation that provides Connecticut’s community physicians with an important tool to remain in independent practice – the ability to form an accountable care collaborative. Physicians have been given a clear mandate: continue to improve the quality of health care delivered while at the same time reducing costs. For community physicians, this presents a multi-faceted challenge – how to invest in and adapt to new standards of care, reimbursement, and information exchange while striving to remain independent. SB 814 helps provide a solution to these problems.

SB 814 will provide independently practicing community physicians with a collaborative framework whereby they can work together without joining a corporate framework, in order to pool resources, increase bargaining power, and provide high quality medical care under a collaborative structure. We are highly supportive of this concept and believes that providing community physicians with a collaborative arrangement is a critical step in helping community physicians remain independent.

We would like to raise two recommendations that would make this proposed legislation even stronger. First, we believe that the legislation requires clarity on which guidelines would be used for

accountable care formation. While the federal ACO guidelines provide a good starting point, Connecticut's landscape and mix of urban and rural areas require a close examination of the guidelines, and some adaptation would be necessary to effectively implement these guidelines within Connecticut's geographic and medical practice landscape. Second, we believe that clarity is needed in terms of the antitrust laws. A stronger statement of the antitrust immunity given to these collaboratives under the state-action doctrine is necessary for such collaboratives to survive antitrust scrutiny. CSMS is happy to work with this Committee on further development of these concepts.

We thank you for raising SB 814 and believe this is a necessary piece of legislation that will help Connecticut's independent physicians remain in independent practice.