



Testimony by Sharon Barrett
On March 17, 2015

SB 807 AN ACT CONCERNING FAIRNESS AND EFFICIENCY IN HEALTH INSURANCE CONTRACTING.

Good Afternoon Senator Crisco, Rep Megna and other distinguished members of the Insurance and Real Estate Committee. I am Sharon Barrett, MD, a board certified dermatologist practicing in CT. I am here to represent the Connecticut State Medical Society physicians and physicians in training and the over 1000 physicians in the medical specialties of Dermatology, Ophthalmology, Otolaryngology and Urology. On behalf of this group of dedicated physicians, we thank this committee for raising an Act Concerning Fairness and Efficiency in Health Insurance Contracting and support any efforts made to promote the use of low-cost, high-quality health care providers, mitigate the anticompetitive effects of hospital consolidations and encourage administrative efficiency. Connecticut Physicians would like to participate in any legislation moving forward that seeks to accomplish these goals.

Independent small practices have a long history of providing the highest quality care for the lowest price, and yet increasingly physicians are selling these practices to overcome the enormous pressure of added costs to deliver health care in an environment where they are powerless to negotiate fair prices for their services.

Recent statistics reveal that there is a major paradigm shift occurring among independent practitioners in Connecticut. Over 25% percent of physicians and surgeons are now employed by hospital systems or large for-profit corporate health care organizations. That number jumped 32% between 2010 and 2013. It is not hard to understand why - a major advantage of being a physician employee is the ability to collectively negotiate reimbursement rates with the payers, as is permitted under Accountable Care Organization regulations. Physicians for years have felt powerless to negotiate with insurers and even hospitals to achieve fair prices for quality healthcare and help economize where appropriate.

Allowing these small practices to survive and compete will enhance the opportunities for Connecticut's insured citizens to obtain quality healthcare at a reasonable cost. It will put pressure on the large practices to

avoid such anticompetitive behavior as A) compelling insurers to contract with all health care provider locations or facilities within their systems, B) requiring insurers to pay the hospital rate for services provided in in outpatient facilities or health care provider's offices, and C) denying access to price, cost or claims information.

Left on their own, these small practices cannot compete with powerful hospital systems and conglomerated giant practices with their enormous bargaining power. We need to level the playing field by allowing small practices to bargain collectively in a way that will neutralize the power of the larger entities and restore a semblance of balance to the health care marketplace. With such a mechanism in place health care consumers, real people like you and I, will have real choices and the preservation of diversity among health care provider models will stimulate a vibrant and cost efficient health care market place.

There are still many independent practitioners in this state who provide their patients with personalized, high quality care and who still want to continue to practice as a small independent practitioners with intimate and personal doctor/patient relationships. Unfortunately, without your help these independent practitioners do not stand a chance. Please consider language that would help level the playing field and provide critical support for the independent physician practice. Thank you.