



Quality is Our Bottom Line

Labor and Public Employees Committee Public Hearing

Thursday, February 26, 2015

Connecticut Association of Health Plans

Testimony in Opposition to

H.B. No. 6785 AAC COOPERATIVE HEALTH CARE ARRANGEMENTS

The Connecticut Association of Health Plans urges the Labor Committee to take no action on HB 6785 AAC Cooperative Health Care Arrangements which would establish an antitrust exemption for providers to negotiate fees with health plans.

HB 6785 has been under consideration in Connecticut for a number of years and recently resulted in the attached *direct correspondence to the Chairs and Ranking members of the Judiciary Committee from the Federal Trade Commission (FTC) in opposition to the very same proposal* stating:

Our analysis of [the bill] suggests that its passage would pose a significant risk of increased health care costs and decreased access to care for Connecticut consumers. The antitrust immunity provisions in this legislation are unnecessary and would allow groups of private health care providers to engage in unsupervised anticompetitive conduct. In summary, FTC staff is concerned that this legislation is likely to foster anticompetitive conduct that is inconsistent with federal antitrust law and policy, and that such conduct could work to the detriment of Connecticut health care consumers.

Please consider that:

- **The Federal Trade Commission and the Department of Justice have consistently *opposed* granting antitrust exemptions stating that “an exemption from collective bargaining by healthcare professionals would allow conduct that would otherwise constitute unlawful price fixing or other serious antitrust violations....bargaining by competing health care providers has shown that an antitrust exemption for such joint negotiation would cause consumers and employers, as well as federal, state, and local government, to pay higher prices for health care.”**
- **Providers have the ability *now* to organize Independent Practice Associations (IPAs) and other associations to negotiate with health plans. The Connecticut State Medical Society operates the largest organization of this type representing thousands of providers.**

- Antitrust laws of this nature risk permitting more powerful professions to negotiate for terms that could effectively exclude or limit less powerful health care professionals.
- Antitrust exemptions of this nature amount to price fixing and would wreak havoc for members seeking access to health care if, for instance, providers choose to boycott particular health plans.
- Consumers need the protections of the antitrust laws. They do not need to be protected from them as this legislation suggests.

We respectfully encourage Labor Committee members to take a close look at the attached correspondence and to take no action on HB 6785.

Thank you for your consideration.