



Connecticut Department of Public Health

Testimony Presented Before the Public Health Committee

February 23, 2015

**Commissioner Jewel Mullen, MD, MPH, MPA
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House Bill 5323 - An Act Concerning Acquisition of Physician Practices by Insurers

The Department of Public Health (DPH) provides the following information with regard to House Bill 5323. This bill will require a physician practice to obtain approval from the Department of Public Health, Office of Health Care Access (OHCA), and the Office of the Attorney General prior to transferring ownership to an insurer.

Currently, section 19a-638(3) of the general statutes requires a certificate of need (CON) authorization prior to the transfer of ownership of a group practice to **any entity** other than a physician or group of physicians. Section 19a-630 of the general statutes defines a group practice as consisting of eight or more physicians. It is unclear whether a physician practice, as the term is used in this bill, is the same as a group practice or whether it would include those groups with fewer than eight physicians. If this bill includes such groups, this bill will expand CON review and will add additional elements of review as specified in section 19a-486d of the general statutes. Moreover, this bill will require OHCA to review a CON application from an insurer and health care facility perspective as opposed to only a health care facility perspective, as is current practice.

The insurance industry is filled with complexities that require specific skills to navigate. Expanding OHCA's authority to include the review of insurance transactions, even if only for the purchase of a physician practice, will require additional skilled staff who are able to apply such specific knowledge to a CON review. Consequently, due to the additional resources that would be needed to implement the requirements associated with this bill, the Department is not supportive of the bill at this time.

Thank you for your consideration of the Department's views on this bill.