



**Connecticut State Medical Society Testimony on
Senate Bill 809 An Act Concerning Facility Fees
Public Health Committee
March 11, 2015**

Senator Gerratana, Representative Ritter and members of the Public Health Committee, on behalf of the physicians and physicians in training of the Connecticut State Medical Society (CSMS) and the American College of Surgeons Connecticut Chapter (CTACS) thank you for the opportunity to present this testimony to you today on **Senate Bill 809 An Act Concerning Facility Fees**. We support the intent to bring transparency, clarity and parity regarding the use of facility fees.

The issue before you today relates directly to the passage of Public Act 03-274. The Public Act not only required facilities (including physician offices) providing services under moderate and deep sedation to obtain a license from the Department of Public Health (DPH) but also to obtain a Certificate of Need (CON) from the then independent Office of Healthcare Access (OHCA).

At that time, CSMS raised significant concern that the legislation was not consistent with Federal Trade Commission (FTC) recommendations and that the legislation would ultimately lead to an increase (not a decrease) in health care costs. Unfortunately, as demonstrated by the need for the legislation before you today, our argument was not successful at the time but the results are what we previously outlined and we were concerned would occur in Connecticut.

During the debate, CSMS presented a significant amount of information and material demonstrating that the facilities or offices in question were accredited after meeting comprehensive requirements of national organizations. At that time we agreed with the need for licensure by DPH to ensure that those standards, as well as state and local requirements were met. However, we adamantly argued that the requirement for a CON would stifle competition, be a detriment to the private practice of physician practices and ultimately lead to a more expensive system. That has occurred in Connecticut, in a very short time, quicker than even we anticipated.

Last session, our organizations supported the passage of Public Act 14-145 An Act Concerning Fees Charged For Services Provided At Hospital Based Facilities requiring certain requirements for notification and disclosure to patients of fees charged in hospital based facilities. Unfortunately, PA 14-145 did not place limitations on facility fee levels, nor did it require coverage of such fees for insured patients.

Now, in many areas of the state, patients face limited and diminishing options regarding locations in which they can obtain needed services. In some cases the only option is a hospital owned facilities. In addition, the insurance landscape has changed dramatically with more enrollees in high deductible plans with significant out of pocket costs for all but preventive services. Most others are facing increased copayments and deductibles for all services. This alone is placing a financial strain on many and leading

to decisions to delay or not seek needed care. The addition of a significant out of pocket facility fee only exacerbates the situation.

We welcome the opportunity to work with this committee on others on legislation that brings transparency, clarity and parity and acknowledges the difference in sites where services are provided.