



Testimony presented by Art Tarantino, M.D.

In Public Health Committee

On

March 11, 2015

S.B. 814: An Act Promoting Accountable Care Collaboratives

Good Afternoon Senator Gerrantana, Representative Ritter and other distinguished members of the Public Health Committee. I am Art Tarantino MD, a board certified urologist practicing in Hartford, CT. I am here to represent 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 SB 814, An Act Promoting Accountable Care Collaboratives but reluctantly cannot fully support the bill as written because it does little to help private practitioners survive economically and does not address the needs of specialists who are typically an afterthought in the Accountable Care Models. SB814 at best is a weak tool for primary care doctors to form ACOs and diverts effort and energy from the real solution of providing collective bargaining with federal antitrust immunity through state oversight.

Recent statistics reveal that a major paradigm shift is 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.

It must be remembered, however, that there are still many independent practitioners in this state who provide their patients with personalized, high quality care. There are few relationships as intimate as those between doctors and patients. Unfortunately, independent practitioners are finding it increasingly difficult to maintain private practices; in no small part because of their inability to collectively negotiate with payers.

Any meaningful collective bargaining legislation must consider that independent private practice physicians are small business owners, who work hard to deliver quality care to their patients, while providing employment for many citizens of this state, but have no bargaining power with insurers., In addition to the ever increasing burden of meeting legal and regulatory requirements for the practice of medicine, they face the same challenges that all small business owners face, but with the added handicap that they cannot control their business' income. So they must meet payroll and benefits for their employees, pay their rent utilities, and supplies, and maintain their skills, all with whatever insurers allow them to take in. Yet, for a

variety of reasons, these doctors wish to remain independent and do not want to be forced into hospital employment, and many of their patients do not want to be forced into seeking care from larger, less personal groups of providers. The current laws, however, prevent these hard working providers from negotiating fair contracts from the payers, truly a "David vs. Goliath" situation where oddly, all the advantages are showered on Goliath. SB 814 does nothing to re-equilibrate the balance of power among physicians, insurers and hospitals.

We support the concept of a state doctrine to bring collaborative bargaining to health providers in this state because we need to level the playing field and ask that this committee consider strengthening this bill by permitting health care providers to have a regulated system whereby they can negotiate rates without fear of antitrust violations.

We welcome this opportunity to work closely with this Committee to strengthen SB 814 and in facilitation of any legislation that will help independent physicians and groups to remain active in Connecticut, providing personal high quality care for the people of Connecticut.

I would be happy to answer any questions. Thank you for your attention.

Art Tarantino, M.D.