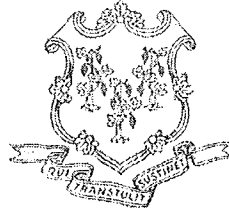


SENATOR MARTIN M. LOONEY  
PRESIDENT PRO TEMPORE

Eleventh District  
*New Haven, Hamden & North Haven*



State of Connecticut  
SENATE

State Capitol  
Hartford, Connecticut 06106-1591  
132 Fort Hale Road  
New Haven, Connecticut 06512  
Home: 203-468-8829  
Capitol: 860-240-8600  
Toll-free: 1-800-842-1420  
[www.SenatorLooney.cga.ct.gov](http://www.SenatorLooney.cga.ct.gov)

November 28, 2017

Good morning Senator Larson, Senator Kelly, Representative Scanlon and members of the Insurance and Real Estate Committee I would like to express my sincere appreciation for your decision to hold this hearing on this issue of extraordinary importance to every resident of our state. Since 2015 I have proposed legislation that would require binding arbitration to resolve disputes between hospitals and insurers when the parties fail to reach an agreement. These proposals have been opposed by both the hospitals and the insurers. Both parties claim that they are able to resolve these disputes more effectively without government intervention. However, there have been numerous situations over the last few years in which contract disputes between hospitals and insurers put patient care at risk. Both the hospitals and the insurers have engaged in brinksmanship with a seeming disregard for the wellbeing of the patients. This is an unacceptable situation for patients. While in the end the insurer and provider have reached an agreement, these disputes have taken a serious toll on patients who had to reschedule or consider rescheduling needed procedures and had to either switch providers and/or research alternative providers. I realize that both the insurers and the hospitals claim that the current negotiation process works. I ask, for whom does this process work? Certainly it does not work for the patients who, after having selected a policy that includes in its network a specific physician and/or hospital, are suddenly told that those providers will no longer be covered. And later, after

the patient has selected new providers he or she will likely be informed that actually the former provider is back in the network. This brinksmanship puts patient health at risk and exposes the fact that some sectors of our healthcare system put profits ahead of patients. These standoffs clearly illustrate that the current highly consolidated healthcare market requires additional government oversight to protect patients. Residents of our state deserve better.

I believe the legislation should include the following elements:

- a. Require that physicians cannot become out of network during the patient's policy term. If a patient selects a plan that has the patient's desired physician in-network, that physician shall not become out of network during the term of the policy.
- b. Require that during the time that the parties are negotiating after the insurer and the provider are no longer under contract with each other, the patient shall be held harmless and shall not have to pay more than the in-network cost sharing. The provider and the insurer shall either: 1. follow the reimbursement mechanism set up for out of network emergency services in PA 15-146<sup>1</sup> and the provider shall bill the insurer directly or 2. Continue under the terms of the expired contract until the dispute is resolved.
- c. Require that the parties continue negotiating for a specified time and allow either party to request binding arbitration.
- d. Require that the terms of these agreements be made available to the insureds.

---

<sup>1</sup> Under PA 15-146 the patient is held harmless and the provider is reimbursed at the greatest of the in-network rate, the Medicare rate, or 80% of the Usual and Customary rate as defined in the act.

- e. During these insurer versus provider contract disputes allow policy holders to select a new policy without penalty even if this is occurring mid year of the policy.

I look forward to working with you on this issue in the 2018 session.

Again, thank you for holding this hearing today.