



February 7, 2019

Statement
Of
Anthem Blue Cross And Blue Shield
On
Proposed S.B. No. 40 An Act Requiring Site-Neutral Payments For Health Care Services

Good afternoon Senator Lesser, Representative Scanlon and members of the Insurance and Real Estate Committee, my name is Christine Cappiello and I am the Director of Government Relations for Anthem Blue Cross and Blue Shield in Connecticut. I am on testifying on **Proposed S.B. No. 40 An Act Requiring Site-Neutral Payments For Health Care Services**

On the face of this legislation it appears this is consumer friendly but there is a very significant unintended consequence we feel needs to be discussed. If carriers are required to pay the same reimbursement regardless of location it will increase costs exponentially. Allow me to give an example. Anthem pays a different amount for a similar service in an outpatient hospital setting vs a free standing surgical center because the settings are very different. If this legislation were to pass and we would be required to pay for a colonoscopy, for example, the same amount in an outpatient hospital setting as a free standing surgical center then the pressure would come to pay that free standing surgical center the same as the more extensive hospital setting. Having the service done in the right setting for a member's situation is an important decision and the setting should be treated differently as they are not the same. Paying the same fee regardless of the setting will cause the cost to increase for those purchasing health insurance. It is also important to remember that any legislation you pass in this body will only impact the 30% of the insurance marketplace that is fully insured. The purchasers of health care in the 30% of the market are the most price sensitive including the individual members (both on and off the Exchange) and small groups. The question remains is what is the purpose of the legislation and how does it drive quality and affordable healthcare for consumers.

We hope that the committee takes into consideration these unintended consequences as you deliberate this legislation. Thank you for your time and attention.