

Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6620
AN ACT PROMOTING COMPETITION IN CONTRACTS BETWEEN HEALTH
Title: CARRIERS AND HEALTH CARE PROVIDERS.
Vote Date: 3/14/2023
Vote Action: Joint Favorable Substitute
PH Date: 2/21/2023
File No.:

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SPONSORS OF BILL:

Insurance and Real Estate Committee

REASONS FOR BILL:

As healthcare costs have risen in the state, consolidation in the healthcare industry has limited the options that people can utilize to receive care. This bill would prohibit certain “anti-competitive” contract clauses between health carriers and health care providers with the goal being to increase competition in the healthcare market. The hope with this would be to lower cost via a more competitive market.

SUBSTITUTE LANGUAGE:

The substitute language eliminates the option of a waiver from the Connecticut Insurance Department for provisions in lines 96 to 119, eliminated the exemption to the state employee and Partnership plans, removed lines 60 to 77 and line 88 because of a redundancy in state statute, and removed the Connecticut Insurance Department enforcement in lines 156-173. It also eliminates lines 124-130.

RESPONSE FROM ADMINISTRATION/AGENCY:

Office of the Healthcare Advocate, Healthcare Advocate, Ted Doolittle: supports this bill and states that the goal of this bill is to rebalance negotiating power between health insurance carriers and health systems in the state. It is further stated that this bill would prohibit health systems from engaging in all-or-nothing clauses, anti-steering clauses, anti-tiering clauses, gag clauses, and most favored health carrier/health plan administrator clauses. It is further stated that these practices limit insurance companies and employers from limiting cost increases.

Amendments are recommended for this bill, including removing the section that prohibits most-favored health carrier/health plan administrator clauses, removing the section that adopts the waiver process set forth in this bill, and the removal of all sections that could be interpreted to exempt providers who are engaged in value-based contracting.

NATURE AND SOURCES OF SUPPORT:

Connecticut Health Policy Project, Executive Director, Ellen Andrews, PhD: states that this bill can level the playing field, support competition, lower premiums, support value-based purchasing, improve access to critical services such as birthing centers and overcrowded emergency departments, and reduce overall healthcare costs. Concern is expressed regarding a potential waiver from the Connecticut Insurance Department and the provision to exempt the state employee and partnership plan.

Anthem Blue Cross Blue Shield, Senior Director of Government Relations, Christine Cappiello: states that this bill would increase competition in the healthcare market and that this will in turn help to lower costs.

Connecticut Council on Developmental Disabilities, Executive Director, Walter Glomb: states that consolidation of the healthcare industry threatens to limit the choices available to those with developmental disabilities and that this bill would promote regulations that promote competition.

CT Association of Health Plans, Executive Director, Susan Halpin: states that the provisions in the bill would create appropriate safeguards to ensure that no party is unfairly advantaged over another one as healthcare becomes more consolidated. It is questioned why the Partnership plan would be exempt from this proposal.

CT Resident, Luis Luna: states that this legislation would promote competition in the healthcare industry and that is necessary to lower costs and reduce the quality of care. It is further stated that the consolidation of hospitals and providers has stifled competition.

Black and Brown United in Action: states that healthcare costs have grown to be prohibitive and that part of the problem is hospital consolidation. It is further stated that this bill will stop “entitlements” for hospitals.

Connecticut Association for Marriage and Family Therapy, Chair and Advocacy Chair, Rebecca Ruitto LMFT and Jaime Rodriguez LMFT: states that the restriction of “gag clauses” in this bill would help providers navigate relationships with insurance panels. It is further requested that inclusive mental health provider language is included.

Naugatuck CT, Resident, Alison Sanchirico: states support for this bill.

The Arc Connecticut, Director of Advocacy, Carol Scully: states that the consolidation of hospitals and providers into large healthcare systems limits competition and results in rising healthcare costs. It is further stated that this bill would prohibit practices that allow for consolidation.

Woodstock CT, Resident, Karen Warinsky: states support for this bill.

Connecticut General Assembly, Senate President Pro Tempore, Martin Looney: states that this bill strives to limit anti-competitive practices in healthcare contracting. Concern is stated for provisions that address out of network reimbursement.

Citizen Action Group, Executive Director, Tom Swan: states that this bill is a good step forward and urges the committee to strengthen the enforcement mechanisms and include a private right of action.

Southern New England Healthcare Organization, President and CEO, Lisa Trumble MBA: states that this bill bans certain contract clauses in commercial contracts and that provisions that prohibit anti-steering and anti-tiering clauses in contracts between carriers and provider will promote competition and encourage higher-quality and lower cost healthcare.

NATURE AND SOURCES OF OPPOSITION:

Bristol Health Inc., President and CEO, Kurt Barwis: states that this bill bans certain contract clauses in commercial contracts and that more transparency is needed in this regard. Amendments are suggested that would require payers to be transparent with the standards that they adopt when slotting providers into tiers, requires payers to notify providers of those changes within 90 days prior to those changes being made, and requires other transparency standards to be enacted.

Connecticut Children's, Government Relations Manager, Emily Boushee: states that this bill bans certain contract clauses in commercial contracts and that more transparency is needed in this regard. Amendments are suggested that would require payers to be transparent with the standards that they adopt when slotting providers into tiers, requires payers to notify providers of those changes within 90 days prior to those changes being made, and requires other transparency standards to be enacted.

Middlesex Health, President and CEO, Vincent G. Capece Jr.: states that this bill bans certain contract clauses in commercial contracts and that more transparency is needed in this regard. Amendments are suggested that would require payers to be transparent with the standards that they adopt when slotting providers into tiers, requires payers to notify providers of those changes within 90 days prior to those changes being made, and requires other transparency standards to be enacted.

Connecticut Hospital Association: states that this bill would affect existing contracts and make statutory changes and it is asked that the legislature not interfere with existing contracts that have already been negotiated. It is further requested that if this bill were to move forward that transparency language be added as well as protecting hospitals from health carriers' unilateral changes in contract provisions by policy.

Yale New Haven Health, Payer Relations, Deremius Williams: explains their organizations provider agreements and aligns their comments with the Connecticut Hospital Association.

Hospital for Special Care, President and CEO, Lynn Ricci, FACHE: states that this bill bans certain contract clauses in commercial contracts and that more transparency is needed in this regard. Amendments are suggested that would require payers to be transparent with the transparent with the standards that they adopt when slotting providers into tiers, requires payers to notify providers of those changes within 90 days prior to those changes being made, and requires other transparency standards to be enacted.

Stamford Health, President and CEO, Kathleen Silard: states that this bill bans certain contract clauses in commercial contracts and that more transparency is needed in this regard. Amendments are suggested that would require payers to be transparent with the transparent with the standards that they adopt when slotting providers into tiers, requires payers to notify providers of those changes within 90 days prior to those changes being made, and requires other transparency standards to be enacted.

Eastern Connecticut Health Network, CEO, Deborah K. Weymouth, FACHE: states that this bill bans certain contract clauses in commercial contracts and that more transparency is needed in this regard. Amendments are suggested that would require payers to be transparent with the transparent with the standards that they adopt when slotting providers into tiers, requires payers to notify providers of those changes within 90 days prior to those changes being made, and requires other transparency standards to be enacted.

Reported by: Justin Kaiser

Date: 3/21/2023