

Insurance and Real Estate Committee

JOINT FAVORABLE REPORT

Bill No.: HB-6871

Title: AN ACT LIMITING OUT-OF-NETWORK HEALTH CARE COSTS.

Vote Date: 3/11/2025

Vote Action: Joint Favorable Substitute

PH Date: 2/18/2025

File No.:

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SPONSORS OF BILL:

Governor Ned Lamont

REASONS FOR BILL:

The bill was introduced by the Governor's Office to help combat rising out-of-network costs for Connecticut residents. The Governor recognizes the increasing financial burden of health care costs for residents all around the state. The bill caps the reimbursement rate of out-of-network hospital prices at 240% of the rate payable under Medicare to help lower Connecticut health care costs. As a result, the Governor believes it will promote in-network care, increase patient accessibility, and reduce and stabilize the increasing costs of health insurance.

SUBSTITUTE LANGUAGE:

Substitute Bill No. 6871 (1) rids of repetitive definitional language "transparency in coverage laws" as its use for purposes of this bill can be covered under the previous definition of "hospital price transparency laws", (2) adjusts language regarding requirements for health care providers to adhere to hospital price transparency laws to clarify for health care providers what information and data to provide to OHS, (3) adds additional specific penalties for violation of the bill's statutes in addition to general notice of violation and civil penalties to account for certain violations, and (4) allows OHS to adopt regulations and implement policies and procedures to assist in the administering of this bill.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Ned Lemont, Governor, State of Connecticut](#) testified in support of HB 6871. He cited statistics that place Connecticut above the national median in in-patient care costs in our larger municipalities such as Hartford, New Haven, and Bridgeport. Gov. Lemont believes that by capping out-of-network hospital prices, it can stabilize and lower costs. He also

believes it would help negotiations between consumers and large insurance companies by minimizing the incentive for providers to remain out-of-network.

[Andrew Mais, Commissioner, Insurance Department](#) provided testimony in support of the Governor's bill. He believes that this bill would help level the bargaining power between hospital providers and insurance companies. He also believes this bill will help lower costs and increase patient accessibility. He states how the current system allows out-of-state reimbursement rates to be significantly higher than 240%, which does not incentivize providers to participate in-network. With the cap, however, Mais states that it would reduce future out-of-network costs to health carriers, allowing the savings to reflect through consumers lower insurance premiums.

[Deidre Gifford, Commissioner, Office of Health Strategy](#) submitted testimony in support of the Governor's bill HB 6871. She believes this legislation would help prevent excessive costs for consumers who need to seek out-of-network care. Additionally, by removing the incentive for providers to stay out-of-network, the bill would help provide better access to services and lower prices.

[Manisha Juthani, Commissioner, Department of Public Health](#) supports HB 6871. She states that it is important to have price controls on out-of-state networks as a means of reducing economic access barriers. She also believes that this bill, in addition to the other Governor's bills, will protect Connecticut citizens' access to health care, especially for disproportionately impacted populations.

NATURE AND SOURCES OF SUPPORT:

[Liz Dupont-Diehl, Associate Director, Connecticut Citizen Action Group](#) submitted written testimony in support of the Governor's bill. She stated her support for attacking the root causes of rising insurance and medical costs, and that this bill helps begin to address the unaffordable health care costs for Connecticut residents.

[Kathleen Holt, Acting Healthcare Advocate, Office of the Healthcare Advocate](#) supports passage of this bill. She believes that this bill is a step toward affordable and accessible health care for Connecticut consumers. She also states that expensive out-of-care costs are detrimental to consumers and inflate health care costs. She does note, however, that in her opinion, the reimbursement cap rate is still too high, but there are still additional benefits to consumers. These include:

1. Encouraging Connecticut hospitals to monitor their spending,
2. Increasing in-network participation between providers and insurers.
3. Lower premium and administrative costs
4. Encourage consumers to better understand their in-network options for services

She finishes her testimony by offering notes for consideration:

1. If the plan is adopted, there is a risk that "lower priced" hospitals will increase their prices to the 240% cap, which may produce equitable rates, but simultaneously reduce overall savings that can be reflected through lower consumer insurance premiums.
2. Section 1, Subsection(b)(4) states that the savings by health benefit plans be reflected in annual rate filings. The Office of the Healthcare Advocate requests that a specified accounting of the savings be required.

3. It appears that the Employee Retirement Income Security Act and Third-Party Administrator plans would be within the definition of a "Health Benefit Plan." Additionally, some of the benefits of the proposed price cap would flow to self-insured employers and their employees, as well as participating members of Connecticut's fully insured market.
4. Using the Medicare rate may be problematic for maternity, newborns, and pediatrics, due to the lack of Medicare's volume of these specific services. Instead, Tricare DRG payment rates are recommended in those cases.

[Ayesha Clarke, Executive Director, Health Equity Solutions](#)
[Kally Moquete, Senior Manager of Policy, Health Equity Solutions](#)

These two, on behalf of Health Equity Services, submitted joint testimony in support of this bill. They believe that the current excessive health care costs disproportionately impact marginalized groups, and that this legislation is a step toward addressing these inequalities, particularly for out-of-state services. They detail [how](#) they believe HB 6871 addresses the issue:

1. Increased Patient Affordability
2. Increases In-Network Participation
3. Transparency and Accountability
4. Equitable Health Care Access

They continue by pointing out that this will help level the playing field with communities of color and low-income individuals.

NATURE AND SOURCES OF OPPOSITION:

[Simon Allentuch, Health Care Attorney, NEMS](#) opposes this bill. He believes that this is the wrong solution to rising health care costs. He shares that payments to emergency physicians already are set by law and increase annually. Alternatively, pharmaceuticals are driving price increases. He believes if this passes, it would harm patients, hospitals, unemployment rates, and communities.

[Kurt Barwis, CEO, Bristol Health Bristol Hospital](#) casted his opposition to the Governor's bill by way of written testimony. In it, he states his belief that there would be financial, administrative, and underpayment costs that would negatively impact hospitals and health systems.

[Jacqueline Blake, Yale New Haven Health Systems](#) submitted testimony in opposition to the bill. She thinks that it is irresponsible of the state to intervene with complex payer network development, and that reimbursement costs are not solely responsible for rising health care costs. She states that the consequences of the proposed cap on out-of-network reimbursements could jeopardize Yale New Haven's ability to sustain their health care delivery system.

[Mark Dziedzic, Emergency Physician, NEMS](#) testified in opposition to HB 6781. He is of the opinion that the passage of this bill will damage physician recruitment, lead to more physician assistants and APRNs instead of board-certified emergency physicians, and will harm emergency departments.

[Daniel Frees, Legislative Chair, Connecticut College of Emergency Physicians](#) casted his opposition to the Governor's bill through written testimony. He believes passage of this bill will be a threat to fair negotiation, and only allow insurers to define out-of-network rates. He also thinks that the bill will prove harmful to emergency physicians and providers. Finally, he states that by capping out-of-network bills at a Medicare rate, they are capped only a little over half of that rate in terms of actual reimbursement.

[Gunthel, Amanda, President, CAASC](#) opposes Governor's bill HB 6871. She maintains that the impact of the bill would be detrimental to health care providers and patients, specifically ambulatory surgery centers. She continues by stating that the bill would also allow for large insurance companies to set rates and eliminate negotiation incentives. She shares how ASCs have been beneficial to Connecticut patient health, and that they will suffer under HB 6871.

[Stanley Stutz, CFO, Northeast Emergency Medicine Specialists](#)
[Steven Wexler, MD, NEMS](#)

Both individuals submitted testimony in opposition to HB 6871. They believe that passage of this bill would threaten the financial stability of emergency departments and emergency health care, specifically safety-net hospitals. They also share the belief that the bill would worsen staff shortages and wait times.

[Joseph O'Connell, Physician, Plastic Surgery of Southern Connecticut, L.L.C](#)

[Dante Brittis, President, Connecticut Orthopedic Society](#)

[Anonymous, Connecticut State Medical Society](#)

[Jonathan Earle, MD](#)

[David Emmel, MD](#)

[Boris Goldman, President, Connecticut Society of Plastic Surgeons](#)

[David Hass, MD and Legislative Chair, Connecticut State Medical Society](#)

[Varun Jain, MD FACP](#)

[Shareef Jandali, Owner, Jandali Plastic Surgery](#)

[Pranav Kapoor, MD](#)

[Ahsan Malik, MD](#)

[Atique Mirza, President, HCMA](#)

[Scott Hollenbeck, President, American Society of Plastic Surgeons](#)

[Vinod Pathy, Reconstructive Surgeon](#)

[John Satterfield, Chairman and MD, CSSA Advocacy Task Force](#)

[Gregory Shangold, MD, FACEP](#)

[Nicholas Uva, Anesthesiologist](#)

[Julie Vasile, MD](#)

These individuals and groups submitted testimony in opposition to HB 6871. They believe that the bill would have severe and lasting consequences on Connecticut's physicians, patients, and overall healthcare system. They believe the legislation would grant health insurance agencies more power and profits. Additionally, they state this bill would accelerate consolidation of physician practices, harming independent physicians and force them to merge or shut down.

[Vincent Capece, President and CEO, Middlesex Health](#)
[Anonymous, Connecticut Hospital Association](#)
[Dr. James Cardon, Senior Advisor, Hartford Healthcare](#)
[Scott Hollenbeck, President, American Society of Plastic Surgeons](#)
[Matthew Grosso, Advanced Orthopedics New England](#)
[Thomas Mezzetti, MD, Charlotte Hungerford Hospital](#)
[Kevin Jourdain, Regional Director of Payer Strategies, Trinity Health of New England](#)
[Michael Veillette, CFO, Stamford Health](#)
[Michael Virata, MD](#)

These groups and individuals oppose the Governor's bill. They believe that there are already laws in place to combat out-of-network surprise bills. Instead, they state that this bill will give insurance companies more leverage. Financially, they believe that this bill would cost hospitals hundreds of millions in revenue, damaging the health of Connecticut's residents and economy.

[Richard Agag, MD](#)
[Anonymous, Anonymous](#)
[John Borkowski, MD](#)
[Anonymous, Doctor](#)
[Anonymous, Doctor](#)
[Laurel Chandler, Surgeon](#)
[Samuel Gettler, Physician](#)
[Ahmed, Kazi, MD](#)
[Mohammad Khan, MD](#)
[Elisabeth Kressley, MD](#)
[Anya Kishinevsky, MD](#)
[Yuen-Jong Liu, MD](#)
[Hafsa Nawaz, MD](#)
[Immad Sadiq, MD](#)
[Anonymous, MD](#)
[Domenic Casablanca, MD FAAFP, Connecticut Academy of Family Physicians](#)
[Sadiq Naveed, MD](#)

This group of individuals provided general opposition to the bill due to their belief that it will harm independent doctors, private practices, health care providers, physician retention, or hospitals.

GENERAL COMMENTS:

[Susan Halpin, Executive Director, CT Association of Health Plans](#) states that the bill is an important step in attempting to address a major cost driver in the health care system. She notes that CTAHP is unsure that 240% of Medicare is the correct number and wishes to engage in further discussion. Similarly, CTAHP asks that the regulatory structure be streamlined as to make sure it applies to the right sectors of the insurance market and do not become burdensome.

Reported by: Michael Flynn

Date: 03/27/2025

