STAMFORD HEALTH

Affiliate: Columbia University Vagelos College of Physicians and Surgeons
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TESTIMONY OF
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STAMFORD HEALTH
Submitted to the Insurance Committee
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HB 5377, An Act Concerning Return of Health Care Provider Payments And Site of Service Billing Requirements

Stamford Health appreciates the opportunity to submit testimony on HB 5377, An Act Concerning Return of Health Care Provider Payments And Site Of Service Billing Requirements. Stamford Health supports section 1 which would help hospitals be paid in a timely manner and opposes section 2 which is aimed at lowering hospital payments by insurers.

Stamford Health is a comprehensive, independent non-profit health care system that serves Lower Fairfield and Westchester counties. We employ more than 4,000 people, making us the largest employer in the city of Stamford and one of the largest in Fairfield County. Beyond the lifesaving care we provide 24 hours a day, 365 days a year, we contribute more than $1.5 billion to our state and local economy and provide more than $173 million in uncompensated care to the residents who need it most. We are committed to providing friendly, personal care coupled with the most sophisticated services to all residents of lower Fairfield County.

Section 1 of HB 5377, which Stamford Health supports, would help hospitals which already operate on small margins by reducing from 18 to 15 months, the amount of time insurers are allowed to cancel, deny, or demand a payment return for authorized covered services. This provision would lessen revenue volatility, administrative burden and financial uncertainty.

Section 2, which Stamford Health opposes, would establish a new law to require hospital-based facilities that are not on a hospital's main campus to submit on each claim the facility's national provider identifier and federal tax identification number. Under the bill, beginning January 1, 2027, insurers would not have to pay a claim without these identifiers. **This provision is aimed at lowering insurer reimbursement to hospitals for services provided at off campus hospital facilities through promoting "site neutral" policies which would intentionally fail to recognize the costs hospital-based facilities absorb**. Site neutral policies should be recognized for what they are – an effort to reduce payment for care. Hospital off-campus facilities absorb costs that other facilities, like a physician practice or ambulatory surgery center (ASC), do not.

Hospitals treat higher-acuity patients and manage greater complexities. The care for individuals with comorbidities and unpredictable complications. This requires advanced monitoring capabilities (such as arterial lines, Laryngeal Mask Airways, and intubation) and immediate access to critical care resources. Non-hospital facilities such as an ASC typically rely on moderate sedation and lack the infrastructure for escalation, creating a stark difference in

patient safety. Hospitals follow AORN and CMS guidelines requiring 2.3 RNs per operating room and ASPEN mandates for recovery phases, including two nurses for post-anesthesia care. These standards ensure pain control and stability before discharge. ASCs, for example, face no comparable requirements often sending patients home without adequate monitoring.

Hospitals also absorb costs that non-hospital facilities do not. They incur costs to maintain emergency readiness and trauma capability. They invest in a highly skilled workforce prepared for emergencies and flexible scheduling, offering about $1- more per hour to attract nurses willing to work nights and weekends. This approach supports continuity of care for a diverse patient population, unlike ASCs, which typically operate on limited hours and oversee narrower case types.

Finally, hospitals serve all patients regardless of ability to pay. Unlike ASCs or physician offices, hospitals are legally and ethically obligated to treat all patients. This includes both the uninsured and those covered by Medicare and Medicaid which reimburse below the actual cost of care.

For the forgoing reasons, we ask that the Insurance Committee support section 1 of HB 5377 and reject section 2. Thank you for consideration of our view.

Kathleen Silard
President and CEO