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**Testimony in Support SB 876 An Act Concerning Reimbursement Of Out-of-Network Health Care providers And Liability for Certain Unlawful Billing And Collection Practices Insurance and Real Estate Committee
March 2, 2017**

Senators Kelly and Larson, Representative Scanlon and members of the Insurance and Real Estate Committee, on behalf of the physicians and physician-in-training members of Connecticut State Medical Society (CSMS) and the organizations listed below, thank you for the opportunity to testify in support of **SB 876 An Act Concerning Reimbursement Of Out-of-Network Health Care providers An Liability for Certain Unlawful Billing And Collection Practices.**

Public Act 15-146 put safeguards in place to ensure that physicians providing services in emergency situations are not disadvantaged simply by their status as an out of network provider. In these situations the following requirement for fair reimbursement was enacted:

“If emergency services were rendered to an insured by an out-of-network health care provider, such health care provider may bill the health carrier directly and the health carrier shall reimburse such health care provider the greatest of the following amounts: (i) The amount the insured's health care plan would pay for such services if rendered by an in-network health care provider; (ii) the usual, customary and reasonable rate for such services, or (iii) the amount Medicare would reimburse for such services. As used in this subparagraph, "usual, customary and reasonable rate" means the eightieth percentile of all charges for the particular health care service performed by a health care provider in the same or similar specialty and provided in the same geographical area, as reported in a benchmarking database maintained by a nonprofit organization specified by the Insurance Commissioner. Such organization shall not be affiliated with any health carrier.”

CSMS supported this language and worked with several members of the General Assembly on its content to improve access to patient care and reduce patient burden.

However, it is important to note that network status for many physicians is outside their control. Within a highly concentrated insurance market in our state, it is often the insurers who determine network status or offer contracts that are not viable for physicians. Connecticut does not have any form of an “any willing provider” statute that would require that health insurers to accept any physician that wants to participate in their network, subject to certain terms. Furthermore, insurers are free to terminate physicians from their network at their discretion. For these reasons, the protection provided within emergency situations as addressed in PA 15-146 should be extended to all physicians who for various reasons are contractually required to provide services and are not afforded the opportunity to either meet the notification requirements also contained in PA 15-146 or are obligated to provide services. While PA 15-146 does include language mandating that insurers pay the in network rates in such situations, many times reasons exist as to why these rates are not acceptable to the providing physician and not reflective of the cost of service.

The intent of SB 876 is to ensure that services provided by physicians (mainly those who are hospital based and contracted but not employed) who are out of network and for various reasons unable to meet the notification requirements of PA 15-146 receive the same protections as those required to provide emergency services.

Language also included in SB 876 seeks to protect physicians from what we believe are unintended consequences related to the Connecticut Unfair Trade Practices Act. As written, Connecticut law makes billing the Out Of Network patient for anything other than the patient's cost sharing for Out Of Network services an "unfair trade practice"; as such, potential civil lawsuits, with concomitant attorney fee recovery and/or possible class action status could result if a claim(s) mistakenly billed for the Out of Network balance bill. We do not think this was the intent of PA 15-146

Please support SB 876.

