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## **Connecticut State Medical Society**

### **Testimony**

#### **House Bill 6305 An Act Concerning Implementation of the Sustinet plan.**

#### **Present to Human Services, insurance And Real Estate and Public Health Committees**

**February 14, 2011**

Senators Crisco, Musto and Stillman, Representatives Megna, Tercyak, Ritter and members of the Insurance and Real Estate, Human Services and Public Health Committees, my name is Dr. David Katz, president of the Connecticut State Medical Society (CSMS). On behalf of our more than 7,000 physicians and physicians-in-training, thank you for the opportunity to present this testimony to you today on House Bill 6305 An Act Concerning Implementation of the Sustinet Plan. We commend the work of the Legislature, the Sustinet Board and the Universal Healthcare Foundation of Connecticut for the proposal before you that is the culmination of years of commitment and participation of multiple stakeholders. CSMS and various leader physicians and physician members are honored to have been a part of the process. We look forward to continuing our efforts with you to ensure that the final legislation represents the best product for the residents of the state of Connecticut.

First and foremost, we strongly support the inclusion of language to (1) establish liability protections and safe harbor for physicians participating in Sustinet program who meet established practice standards and guidelines and (2) the development and establishment of quality initiatives. We are confident that these two inclusions alone will generate tremendous cost savings by reducing the cost of defensive medicine within the program. Further, we believe that the focus on quality and quality metrics will allow the state to look more closely at what is working and what isn't; however the quality guidelines must be designed, developed and maintained by physicians and other health care professionals providing the services in question.

CSMS also believes that the proposed structure of the program, separating products within the program such as the HUSKY plans, Charter Oak and the State Employees Health Benefit Program, makes sense since they presently have different benefit structures and design. However, it is imperative that reimbursements within the HUSKY products do not become the ceiling for services provided to patients through the Sustinet program. In addition, the well-known difficulties of the current managed care products within the HUSKY program in attracting physicians under the existing structure leads to our support of language to move from a managed care system to one administered by an Administrative Service Organization (ASO). We believe that this move, coupled with the increased focus on Primary Care Medical Home Model Pilots (PCMH), will eliminate some of the administrative hassles that have caused physicians to decide against participation in the program. The ASO, it is hoped, will stick to

claims process and claims management and physicians will be allowed to make medical necessity decisions that are in the best interests of their patients and not managed care plans.

However, we must also raise with you today concerns with the proposed language of the bill that we hope we can collectively address. First, specific reimbursement and health plan structure are not discussed in the bill language. We recognize that the topic of a fee schedule is difficult considering the current financial condition of the state, but the program will likely rise and fall with the decisions on how and what physicians are paid for the medical services they provide. CSMS stands ready to work with the General Assembly and the Sustinet board moving forward to assist in the design of a compensation plan that appropriately recognizes the physician work, medical expense and liability costs involved in providing high-quality medical care in the state of Connecticut.

In addition, no language exists in the bill that adequately or sufficiently addresses physician workforce issues previously documented and discussed through our recent work force studies. We all agree that the intent of the legislation is not only to expand access to health insurance, but to expand access to health care services. We must remind committee members that deteriorating patient access to quality medical care is already becoming apparent across Connecticut. This was identified in our 2008 Physician Workforce Survey in which:

- 19% of physicians indicated they are contemplating a career change because of the practice environment in Connecticut. 10% plan to leave the state because of the practice environment.
- More than 90% of respondents in Litchfield, New London and Windham counties reported recruiting physicians was very or somewhat difficult.
- 47% of surveyed physicians increased their work hours seeing patients over the course of the last three years.
- 40% of respondent physicians said they are providing fewer high-risk procedures and 34% are seeing fewer high-risk patients due to professional liability concerns.
- 90% of emergency room physicians and 72% of pediatricians – specialties that make the most referrals and see high rates of uninsured or underinsured patients – indicated that it has become more difficult to obtain referrals and consultations.
- The longest mean average wait time for new-patient office visits was 24 days, reported in Windham County, which also reported the biggest reduction in provision of high-risk services, the second-largest reduction in care of high-risk patients and the highest percentage of physicians contemplating a career change.

Therefore, we believe it is critical that we find solutions to our workforce shortages through programs such as loan forgiveness, access to and expansion of residency programs, incentives for new and established physicians to practice in Connecticut, and a review of the currently regulatory structure impeding the recruitment of physicians in Connecticut.

The creation of the Sustinet program, proposed language to comply with the new requirements of the Patient Protection and Accountable Care Act (PPACA), such as the development of Accountable Care Organizations (ACO), and the requirement that physician offices implement "Meaningful Use Electronic Medical Records" will require greater communication among physicians and with payors and other participants in the Sustinet Program. Current practice structure in Connecticut as well as current anti-trust law prevents physicians from participating in such communication. For this reason, we submit to you that CSMS efforts to pass legislation allowing for Cooperative Negotiations among physicians is a critical part of reform. We welcome the opportunity to further discuss that issue with you.

Much like testimony presented on the establishment of a State Health Insurance Exchange, representation on the Sustinet Board must include but not be limited to primary care physicians, as all physicians are equally impacted by these health system reforms. Finally, to accurately reflect the landscape of the medical system within which care is delivered in Connecticut, representation must be by privately practicing physicians not employed by a health system or hospital organization or academic medical center who are actively seeing patients in community settings and who could participate in the Sustinet provider network.

Thank you for the opportunity to present this testimony to you today.