



Quality is Our Bottom Line

Insurance and Real Estate Committee

PUBLIC HEARING

Thursday, March 5, 2020

Connecticut Association of Health Plans

Testimony in Support of

S.B. No. 323 AN ACT CONCERNING SURPRISE BILLING AND COST SHARING FOR HEALTH CARE SERVICES PROVIDED BY OUT-OF-NETWORK PROVIDERS AT IN-NETWORK FACILITIES.

The Connecticut Association of Health Plans is pleased to support SB 323 which brings emergency medical services back under the same umbrella as regular medical services in terms of the protections afforded under the "surprise billing" statutes.

Unlike **regular medical services** provided at an out-of-network facility which are limited in reimbursement to a health plan's in-network rate, **emergency room services** provided at an out-of-network facility (*even if the emergency room is at an in-network hospital*) can bill a health plan, and therefore a consumer, according to a database known as FAIR Health which is based off of charges instead of negotiated rates.

As a result, the current law provides a financial incentive for emergency room practices to sever their affiliations with hospitals and operate on a contractual basis instead because they are allowed to bill for the higher FAIR Health rates. Not only are health plans required to pay the extra differential, but so are consumers with high deductible health plans.

For example, if a consumer seeks services at an in-network hospital that contracts with an out-of-network emergency room department and is responsible to meet a \$5000 deductible, they would benefit from this bill because they would only be responsible to pay the in-network rate as opposed to the inflated FAIR Health rate. The bill provides important consumer protections and we urge passage.

Thank you for your consideration.