CONNECTICUT HOSPITAL ASSOCIATION

TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Monday, February 26, 2024

SB 180, An Act Concerning Adverse Determination And Utilization Reviews

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 180, An Act Concerning Adverse Determination And Utilization Reviews**. CHA supports the legislation.

Connecticut hospitals are critical to their communities. They are confronting the challenges posed by a post-pandemic healthcare system with an exemplary healthcare workforce that continues to provide outstanding care. But challenges remain. Hospitals are treating sicker patients, it continues to be challenging to hire and retain staff, and the financial headwinds are grave. Through it all, hospitals are steadfast, providing high-quality 24-hour care for everyone who walks through their doors, focusing on making Connecticut's healthcare system more equitable, and driving world-class innovation right here in Connecticut.

Most Connecticut residents receive their health insurance benefits through commercial coverage. Nearly all private health plan coverage arrangements rely on utilization management as a means to gatekeep access to medically necessary services. Unfortunately, the inappropriate use of utilization management is eroding these benefits and restricting patient access to needed health coverage services.

For example, the use of prior authorization, the most widely used form of utilization management, is now being used by many plans to restrict access to common services. Moreover, plans are continually changing the rules that govern prior authorization, often in the middle of provider-insurer contract periods. While the stated intent of prior authorization is to help ensure patients receive care that is safe, efficacious, and beneficial to the individual patient, we have observed that many health plans are applying prior authorization requirements in ways that negatively affect care.

Utilization management programs, specifically prior authorization processes, also have an enormous impact on the cost of care. These processes directly burden frontline clinicians and require that hospitals employ staff and develop infrastructure dedicated to the support of these processes.

Last year, as part of the budget bill, meaningful steps were taken to help improve this process, including reducing the timeframes within which health carriers must make a determination about prospective or concurrent utilization reviews and requiring managed care organizations to report certain prior authorization and utilization review data to the Department of Insurance.

SB 180 builds off of last year's legislation and will help temper the overuse of utilization management processes by putting healthcare decisions back in the hands of patients and providers, rather than health insurance companies. The legislation creates a rebuttable presumption that a healthcare service under review is presumed to be medically necessary if it was ordered by a healthcare professional. The legislation rightly shifts the burden from the patient and healthcare provider to the health insurance company and, in doing so, helps ensure that appropriate patient care is not delayed by the overzealous use of utilization management processes.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.