



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Thursday, February 19, 2004**

**HB 5205, An Act Establishing Standards For Contracts Between
Managed Care Organizations And Physicians**

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony in support of **HB 5205, An Act Establishing Standards For Contracts Between Managed Care Organizations And Physicians**. HB 5205 establishes various important standards for contracts between managed care companies and physicians.

Specifically, HB 5205 requires contracts to contain various payment provisions; and prohibits the contracting health organization from unilaterally changing any term or provision of the contract or from reducing the level of service coded on a claim without conducting a reasonable investigation or delays payment beyond 45 days after a claim is filed. It also requires, among other things, that contracts contain provisions about whether the list of contracted providers and their reimbursement rates may be sold, leased, or transferred or disclosed to other payers.

This bill is an important clarification of many of the contractual relationship issues between managed care companies and physicians and will, if enacted, greatly benefit Connecticut's healthcare system. CHA supports this bill but respectfully requests that it be amended to apply these same contractual standards, as appropriate, to hospitals.

Thank you for your consideration of our position.

JDI:pas