



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Monday, March 29, 2021**

**SB 238, An Act Increasing Oversight Of Mergers And Acquisitions
Of Group Practices**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 238, An Act Increasing Oversight Of Mergers And Acquisitions Of Group Practices**. CHA opposes the bill.

Before commenting on this bill, it is important to acknowledge that, since early 2020, Connecticut's hospitals and health systems have been at the center of the global public health emergency, acting as the critical partner in the state's response to COVID-19. Hospitals expanded critical care capacity, stood up countless community COVID-19 testing locations, and are a critical component of the vaccine distribution plan. Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay.

SB 238 would require hospitals, health systems, and other non-physician organizations (including insurers and practice management companies) to obtain a Certificate of Need (CON) to acquire a group practice of two or more physicians. The current law requires a CON for the acquisition of a group practice of eight or more physicians.

Under the legislation, small practices, including those with a physician who decides to retire, that wish to sell their practice or wish to work for a hospital or other entity, may not do so until the state grants permission. This will not improve the climate to attract physicians to this state. This Committee has raised SB 1087, *An Act Concerning The Recruitment And Retention Of Health Care Providers In The State* to try and recruit and retain physicians in Connecticut. SB 238 will not help to achieve that goal.

SB 238 also eliminates the presumption in favor of approval of a CON when a hospital or other non-physician entity responds to a request for proposal or similar voluntary offer for sale, a policy that will limit choices for physicians and physician groups. Such a result raises concerns that implementation of the CON rules would no longer be a reasonable check to ensure high-quality and safe care but, instead, an unreasonable burden on physicians.

Also, SB 238 would require every group practice (instead of only large group practices or those affiliated with a hospital or health system) to submit an extensive report on an annual basis to the Office of the Attorney General and the Office of Health Strategy including the names and specialties of each physician practicing medicine with the group practice; the names of the business entities that provide services as part of the group practice and the address for each location where services are provided; a description of the services provided at each location; and the primary service area served by such location. This change will increase the regulatory burden on medical practices in Connecticut, particularly small practices.

Physician practices are struggling in Connecticut and across the nation as a result of the pandemic. Now is not the time to place additional burdens on physician practices.

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