



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Thursday, March 9, 2023**

HB 6782, An Act Concerning Notices Of Termination Of Health Care Contracts

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 6782, An Act Concerning Notices Of Termination Of Health Care Contracts**. CHA opposes the legislation.

Connecticut hospitals continue to meet the challenges posed by the COVID-19 pandemic and are now facing new challenges of treating sicker patients than they saw before the pandemic, with a dedicated but smaller workforce who are exemplary but exhausted. They are also experiencing significant financial hardships brought on by record inflation. Through it all, hospitals have been steadfast, providing high-quality care for everyone who walks through their doors, regardless of ability to pay.

HB 6782 seeks to alter the state-regulated process used by health carriers and participating providers when contracts are terminated by such parties. The legislation would require automatic renewal or extension of contracts for noncompliance with statutory requirements and would characterize services provided after contract termination as out-of-network while requiring in-network payment rates.

Under current law, should a health carrier and participating provider choose to terminate an existing contract, it is the obligation of either party to provide notice of such intent to terminate and the responsibility of the participating provider to provide the health carrier with a list of patients covered by the health carrier's plan. Such requirement ensures that the health carrier can notify its affected plan members about the change in network status of their provider and ensures a provision of continuing care for those individuals.

HB 6782 would maintain this appropriate statutory requirement while introducing a vague penalty should either party not provide the required termination notice. Under HB 6782 should such notice of termination not be provided, "such contract shall either automatically renew or be extended." There is no further language in the legislation related to who will determine if the contract is either renewed or extended. Beyond the vagueness of the new requirement, this advanced level of interference in private contractual matters between payers and providers is unnecessary.

We believe the underlying public policy interest, with which we agree, to ensure patients are appropriately noticed of changes to their provider networks and provided with continuity of care is in no way strengthened by the legislation.

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