



Testimony in Support of H.B. 6669, An Act Protecting Patients and Prohibiting Unnecessary Health Care Cost

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Public Health Committee
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Dear Senator Anwar, Representative McCarthy Vahey, Senator Somers, Representative Klarides-Ditria, and esteemed members of the Public Health Committee,

Thank you for accepting this testimony in **support of H.B. 6669** on behalf of Health Equity Solutions (HES), a nonprofit organization with a statewide focus on advancing health equity through anti-racist policies and practices. Our vision is for every Connecticut resident to attain optimal health regardless of race, ethnicity, or socioeconomic status.

Health Equity Solutions frequently comments and testifies on disparities in access to health insurance in Connecticut. The systemic and pervasive nature of racism in employment and education, among other aspects, mean that Black, Indigenous, Latino/a, and other people of color in Connecticut are disproportionately likely to be uninsured or enrolled in insurance policies with out-of-pocket costs they cannot afford. Enrollees on Access Health, which is considered [unaffordable to over 40%](#) of enrollees, are disproportionately people of color. Each year, Health Equity Solutions conducts outreach to learn which issues related to health equity are priorities for Connecticut residents. Access, including affordability, is consistently noted by participants to be a significant barrier to health equity and to their families' ability to seek health care. ***HES believes sections 11-14 of this proposal would reduce costs and safeguard access to care.***

Section 11: Eliminating facility fees in free-standing facilities

[Connecticut hospital costs](#) continue to grow at rates far higher than other health care sectors and national averages. From [2007-2014](#), growth in hospital prices for inpatient and outpatient services outpaced growth in physician prices for those same services, with growing hospital facility fees driving this difference. According to a recent [Rand National Hospital Price Transparency Study](#), over 80% of the prices of services provided by hospitals/health systems are now from facility fees. Moreover, between 2016 and 2020, hospitals and health systems billed and received [an annual average of \\$410 million in facility fees from outpatient services that were not provided in the facility's main campus](#). While hospital executives claim these fees are necessary to defray overhead and meet federal standards, the same services are often provided in locations not owned by hospitals without these fees and patients are often blindsided by these [hidden price increases](#).

Facility fees highlight the urgent need for transparency in medical care pricing and exemplify the cost-shifting that is [driving more Americans into medical debt](#). Hospital systems have expanded facility fees beyond main campus hospital sites to free-standing facilities and professional services. These are outpatient settings, such as surgery centers, walk-in clinics, and imaging centers, that were supposed to provide less expensive care, at a time when [hospital outpatient visits have been growing more rapidly](#)

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[nationwide](#) than inpatient hospital admissions. In 2016, [Connecticut hospitals charged facility fees at 184 off-campus facilities](#), with some of the most frequent types of care that patients were charged facility fees for including radiation treatment, echocardiograms, sleep disorder testing, colonoscopies and mammograms. Connecticut has experienced [considerable consolidation of health care providers](#), with 5 health systems controlling more than 25% of the state's 17,000 licensed physicians. This means more services are being provided in hospital-owned outpatient settings.

Connecticut has [one of the nation's highest racial wealth gaps](#), which means Black and Latino/a people are [less likely](#) to have cash on hand to pay large, unexpected bills. Black, Indigenous, Latino/a, and other people of color in our state are already at [greater risk](#) of avoiding care and accruing medical debt. [Recent changes](#) requiring clearer disclosure of facility fees at physician practices and outpatient facilities are commendable but do not go far enough to contain this growing problem.

HES supports this proposal to eliminate hospital facility fees charged at free-standing offices and clinics. Section 11 prohibits health care providers from collecting a facility fee for outpatient services provided at an off-site hospital-based facility or any other outpatient diagnostic or imaging service identified by the Office of Health Strategy. This has the potential to make health care in Connecticut more affordable and pricing more transparent.

According to an analysis of 3 types of health care cost-control policies by the Congressional Budget Office, [price-cap policies](#) were the most likely to result in moderate to large price reductions.

Section 12,13 and 14: Stronger Enforcement for Certificate of Need Requirements

Why Certificate of Need?

Connecticut's Certificate of Need (CON) regulations require hospitals to obtain state approval before establishing, expanding, or discontinuing certain types of medical services.

Hospital mergers are known to [drive up prices](#). For example, data shows that the cost of care for hospitals in markets of less than four competitors is [12% higher than for hospitals in competition](#) with four or more others. [Hartford HealthCare](#) saw residents file a class action [lawsuit](#) to push back against higher health care prices associated with anticompetitive practices. As noted above, Connecticut hospitals have engaged in both horizontal and vertical [consolidation](#)—buying other hospitals and physician practices at high rates. [Hospital monopolies](#) are associated with lower quality of patient care and adverse outcomes. For example, evidence on maternity ward closures indicates a [negative impact](#) on [maternal outcomes](#) in cities as seen by increased C-section rates. The efforts to strengthen enforcement of CON agreements outlined in H.B. 6669 would help ensure hospitals are meeting the needs of their communities.

CON regulations help to ensure equitable distribution of healthcare resources, [particularly in underserved communities](#). By requiring healthcare providers to demonstrate that establishing new services and facilities or discontinuing services will not negatively impact existing services, the CON

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program can help to prevent over-concentration of healthcare resources in affluent areas while underserved areas are left with inadequate resources.

Some hospitals in Connecticut have faced legal challenges for not following CON requirements. For example, Windham hospital stopped providing maternity services and then submitted a CON when it should have sought approval before discontinuing any services. This calls for **stronger regulatory enforcement tools at the Office of Healthcare Strategy (OHS) to assure compliance with Certificate of Need requirements as proposed in Section 12, 13 and 14 of H.B. 6669.**

Thank you for the opportunity to submit this testimony in support of **H.B. 6669, An Act Protecting Patients and Prohibiting Unnecessary Health Care Cost.** We can be reached with any questions at aclarke@hesct.org or 860.937.6432.