Insurance and Real Estate Committee
JOINT FAVORABLE REPORT

Bill No.: HB-7039
Title: AN ACT CONCERNING THE RETURN OF HEALTH CARE PROVIDER PAYMENTS, ESTABLISHING A WORKING GROUP TO STUDY PHARMACIST COMPENSATION FOR ADMINISTERING CERTAIN SERVICES, REVISING THE DEFINITION OF CLINICAL PEER AND CONCERNING THE CONNECTICUT UNFAIR INSURANCE PRACTICES ACT.
Vote Date: 3/13/2025
Vote Action: Joint Favorable Substitute
PH Date: 2/27/2025
File No.: 363

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SPONSORS OF BILL:

Insurance and Real Estate Commitee

REASONS FOR BILL:

This bill includes several different provisions.

Current law allows a provider to appeal a payment cancellation, denial, or return demand within 30 days after receiving notice of it, in accordance with the organization's procedures. The bill specifies that an organization’s procedures must include an electronic appeal process. The bill also requires an organization to notify the provider of its appeal decision within 10 business days after receiving the appeal. If it fails to meet this timeframe, the appeal is construed in favor of the provider. These provisions give an increased amount of agency to the providers. Section 2 of the bill requires the Insurance and Real Estate Committee chairpersons, or their designees, to convene an 11-member working group by July 1, 2025, to study and recommend legislation on compensating pharmacists who provide health care services, including HIV testing, influenza testing, and prescribing contraception, which will help support pharmacists in the state. Section 3 of the bill changes the requirements to qualify as a clinical peer for insurance adverse determination reviews. physician may be a clinical peer when the health care professional managing the condition, procedure, or treatment under review is a physician. Under the current legislation, a clinical peer doing a peer review for an adverse determination must be in the same specially as the provider. This section would broaden the definition to allow someone who has significant experience or expertise in the field to act as a clinical peer, even if they do not have the same specialty as the provider.

This would make it easier for insurance companies to find people who fit the definition of clinical peer, which would make the process less costly and lessen the administrative burden.

SUBSTITUTE LANGUAGE:

The substitute language made numerous changes. It replaced Section 1 of the underlying bill, which was on payment claw backs, it removed Sections 2 through 8 of the underlying bill, which related to a study of telehealth (§ 2), a study of dental provider reimbursements (§ 3), coverage of medical foods for PKU patients (§§ 4 & 5), coverage of motorized wheelchairs (§§ 6 & 7), and insurer premium costs for lobbying activities (§ 8), it changed Section 9 of the underlying bill (now Section 2) from a study to a working group; and added Sections 4 & 5. These clarifications helped create perhaps what committee members found to be a more equal negotiation between providers and insurance carriers, as well as removing certain provisions around PKU medical foods that were already covered in current statute.

RESPONSE FROM ADMINISTRATION/AGENCY:

None Expressed.

NATURE AND SOURCES OF SUPPORT:

Cathy Osten, State Senator, 19th District
Senator Osten submitted written testimony in support of the bill, and specifically the portions which address the coverage of medical foods for people diagnosed with Phenylketonuria and coverage for motorized wheelchairs. The testimony discussed the benefits of medical foods for those with Phenylketonuria, as well as the benefits that motorized wheelchairs can provide to patients in increasing their independence and ability to access locations outside of their homes.

Kara Rochelle, State Representative, 104th District
Representative Rochelle submitted written testimony in support of the bill, and specifically section 6 which would prohibit insurance companies from using funds from premiums to pay for lobbying activities. The testimony discussed how the practice of allowing insurance companies to use funds from premiums to fund lobbying "…is not only a misuse of funds intended for patient care but also raises ethical concerns regarding undue influence over public policy decisions that should prioritize the health and well-being of Connecticut residents."

Belawoe Akwakoku, Associate Director of State Government Affairs, National Community Pharmacists Association
Belawoe Akwakoku submitted written testimony in support of the bill, and specifically the provisions that would study compensation for health care services provided by pharmacists. The testimony included information about how enabling pharmacists to be compensated for providing these healthcare services, such as providing HIV testing and prescribing contraceptives, can both increase access to healthcare and lower costs. It also noted that at a time when there is a shortage of primary care physicians, pharmacists are often the most accessible healthcare provider that people have access to, making it all the more important for them to be compensated for providing these health services.

Susan Ann Allender PhD., Member, Connecticut Psychological Association
Dr. Allender submitted written testimony in support of the bill, and specifically the section that would limit insurance claw backs within one year of the date of service. She discussed the administrative and financial burden that these claw backs put on phycologists, and how they are often so severe that many psychologists chose to stop being in network providers (which impacts patients who can't afford out of network care as the pool of in network providers becomes smaller). She noted that Connecticut's 5 year claw back period is longer than that of most states, and that although this bill would not be able to restrict ERISSA plans, "…ERISSA plans do typically follow the state regulated plans policies, perhaps because it is more efficient to have one claw back policy per state."

Connecticut Hospital Association
The Connecticut Hospital association submitted written testimony in support of the bill, and specifically Sections 1 and 10. They noted that when healthcare companies seek to deny claims or recoup costs from many years prior it creates unnecessary costs and administrative burdens for healthcare providers and patients alike. They also expressed support for the changes made to the definition of "clinical peer" for the purposes of insurance utilization reviews, as they believe that it would benefit the review process.

Connecticut State Medical Society
The Connecticut State Medical Society submitted written testimony that largely supported the bill, and specifically sections 1, 2, and 10, and expressed opposition to section 9 of the bill.

They noted that claw backs create financial instability for providers, which often discourages providers from participating in insurance networks, which lowers the number of providers. This is specifically significant in mental health care where there is a shortage of in network providers and a lack of timely access to mental health care for many patients. They suggested that this limit on retroactive denials be applied to all physicians, and that the window for retroactive denials should be shorter than two years, as it should not take insurance companies that much time to identify payment issues.

The testimony also discussed Section 2, and noted the difficulties in regulating telehealth as the regulations would be influenced by where the patient was physically located (and therefore could involve the laws of multiple states). For this reason, they suggested exploring regional solutions to telehealth regulations.

The Connecticut State Medical Society expressed opposition to Section 9 of the Bill, which would allow pharmacists to bill for healthcare services such as proscribing contraceptives and administering vaccines. They suggested that this section would expand the scope of practice of pharmacists in a way that could be harmful to patients. They suggested "Any proposal to expand pharmacists' roles in clinical care must be fully vetted through the existing scope review process to ensure that patient safety and quality care are not compromised."

The testimony expressed support for Section 10 of the bill, as they believe it is important for that a provider in a clinically relevant specialty is able to offer a review even if they don't have the exact same specialty as the original provider. They suggest that it is critical that enforcement mechanisms are created as "Without strong penalties and enforcement mechanisms, insurers will likely continue taking liberties with peer review assignments,

leading to inappropriate denials of care and significant administrative burdens for physicians and patients alike."

Gretchen Shugarts, Commission Analyst, Commission on Racial Equity in Public Health
Gretchen Shugarts submitted written testimony in support of the bill, and specifically Section 1. The testimony discussed the racial inequities that exist in healthcare and public health and noted that the percentage of people who go without healthcare because of its cost is highest among people of color. The testimony went on to discuss the importance of mental healthcare, and how this can be even more difficult to access than physical health care. The testimony expressed support for Section one because it would limit insurance claw backs for mental heal care professionals, making it more desirable for them to continue to work in network, which would in turn increase access to mental healthcare for people who cannot afford to pay for mental healthcare services out of network.
The testimony suggested a few changes to section one, including decreasing the time frame that insurance companies can issue retroactive denials to 12 months, including benefit plans, offering multiple repayments options for providers who are issued retroactive denials, and requiring that insurance companies and benefit plans include data on their retroactive denials in their reporting to the CID.

Liz Dupont-Diehl, Associate Director, Connecticut Citizen Action Group
Liz Dupont-Diehl submitted written testimony in support of the bill, and specifically section 8, which would prevent insurance companies from using ratepayer funds for lobbying, as these funds are diverted from healthcare services and do not serve to benefit policy holders or the healthcare system.

Christina Hatfield, Director of Pharmacy, Hartford Hospital
Christina Hatfield submitted written testimony in support of the bill. She discussed the importance of pharmacists as health care providers and noted that allowing them to bill for these services would increase access to services, help fill the gaps created by the shortage of primary care doctors, and lower the cost of healthcare overall by providing preventative care to patients who might not receive it otherwise.

Ed Hawthorne, President, Connecticut AFL-CIO
Rep. Hawthorne submitted written testimony in support of the bill, and specifically section 8. He suggests that "Health insurance premiums are paid by policyholders with the expectation that they will be used to cover care, not influence political outcomes. Using these funds for lobbying expenses creates a conflict of interest. Currently, insurance companies can divert premium dollars to prioritize the financial interest of the insurance company over the needs of its policyholders." He goes on to state that many policyholders do not know that the money they are paying in premiums could be going toward lobbying, so banning this practice would increase transparency and insure that a larger portion of the money paid in premiums would go toward covering healthcare expenses.

Philip M. Hritcko, Dean and Clinical Professor, UConn School of Pharmacy
Dean Hritcko submitted testimony in support of the bill. He discussed the important services that pharmacists provide, as well as the extensive training and certification process that they go through to become pharmacists. He suggested that the bill would help improve patient care, as it would make it easier for pharmacists to provide these services since they would be

appropriately compensated, as well as help Connecticut retain pharmacists in the state. The testimony concluded by listing some of the ways that pharmacist-provided services help to improve patient care, including enhanced therapeutic outcomes, increased access to care, and improved patient safety.

Several healthcare and mental healthcare providers submitted written testimony in support of Section 1 of the Bill, including:
Dr. Laura Baird
Agnieszka Sikorska, LMFT, Meriden
David Borzellino, LMFT, Wolcott
Deb Borzellino, LMFT, Wolcott
Jordan Bryant, LMFT, New Haven
Jill D. Bukowski, LMFT, New Britain
Rebecca Burton, Owner, Beehive Counceling
Kristina Chomick, LMF
Joanna Oszimian Cirigliano, LMFT, Lebanon
Melissa Constanzo, LMFT, Prospect
Kimberly Daniels, Clinical Psychologist, Hartford
Anna Davenport, LMFT, Suffield
Sage DeLucia, Marriage and Family Therapist Intern, Middletown
Kristen Diekmann, LMFT, Ellington
Zack Doubleday, Psychiatric-Mental Health Nurse Practioner, Ellington
Karissa Ekwall, LMFTA, Plainville
Rachael Farina, LMFT, Newington
Sarah FitzGerald, LCSW, West Hartford
Joel Garcia, LMFT, Bristol
Kelsey Geddes, LMFT, Bloomfield
Sharon Glassburn, LMFT, New Haven
Liam Griffin, LMFT, Manchester
Briana Hansen, Chair, CT Association of Marriage and Family Therapy Education
Julia Israelski, Licensed Clinical Social Worker, Essex
Lisa Johanns, Therapist and Clinical Director, Thrive and Grow Psychotherapy
Nicole Scrivano, LMFT, West Hartford
Julia Massari, LMFT, Trumbull
Laura Moya, LMFT, Ledyard
Michele E. Nardella, LMFT, West Hartford
Olivia Pace, LMFT, Vernon
Amanda Pasciucco, Committee Member, CTAMFT Advocacy Council
Theresa Pennachio, LMFT, Wallingford
Ashley Quinones, Committee Member, CTAMFT Advocacy
Maria Victoria Ramos, PsyD
Alex Rodriguez, Marriage and Family Therapist Intern, South Windsor
Jaime Rodriguez, LMFT
Rebecca Ruitto, LMFT, Colchester
Marcy Russo, Ph.D., Legislative Committee Chair, Connecticut Psychological Association
Stephen D. Safaty, PsyD
Jen Schaefer, LMFT, Colchester

Diana Abate Schneider, LMFT
Dr. Eric Schwartz, Psy.D., ABPP
Mark Spellmann, Psychologist and Legislative Committee Member, Connecticut Psychological Association
Natasha Welz, LCSW, Tolland
Kristen K. Wold, LMFT, Manchester
Deb Borzellino, LMFT, Wolcott
They discussed the undue burden that claw backs place on providers financially and administratively, and how this can discourage providers being part of insurance networks, which would further decrease the access to mental healthcare for people who cannot afford to pay for out of network care. Many of them also suggest that the 2-year restriction placed on retroactive charges should be shortened to 1 year or less.

Several Pharmacists submitted similar written testimony in support of the bill, and specifically the provision that would allow pharmacists to bill for healthcare services such as administering vaccines and proscribing birth control:

Scott Bonczek, Pharmacist
Dave Manan, Chief Corporate Compliance Officer, Fair Haven Community Health Care
Christian Gee, Pharmacy Student, University of Connecticut
Sean Jeffery, Professor of Pharmacy Practice, UConn School of Pharmacy
Gillian Kuszewski, Pharmacist, Chesire
Stephanie Luon, Manager, Ambulatory Pharmacy
Randy Martinez, Pharmacy Intern, UConn School of Pharmacy
Matthew Morelli, Pharmacy Intern, UConn School of Pharmacy
Brooklyn Morgan, Director of State Policy, National Alliance of State Pharmacy Associations
Kaylee Morosky, PharmD Candidate, UConn School of Pharmacy
Michael Murphy, Senior Advisor of State Government Affairs, American Pharmacists Association
Ben Pearlman, Government Affairs Director, Nation Association of Chain Drug Stores
Christina Polomoff, Population Health Clinical Pharmacist and Associate Clinical Professor
Ed Schneider, Vice President of Network Development, Northeast Pharmacy Service Corporation
Melody Suh, PharmD
Nathan Tinker, CEO, Connecticut Pharmacists Association
Heather Turnbull, PharmD
C. Michael White, PharmD
Maya Wroblewski, Doctor of Pharmacy Candidate, UConn School of Pharmacy
Jason Zybert, President, CSHP
They discussed the fact that pharmacists are some of the most accessible health care professionals, and that allowing them to bill for these services would provide greater health care access, especially to underserved communities, as well as decreasing the cost of healthcare. They also note that many states already allow pharmacists to bill for the clinical services that they provide, and that not allowing pharmacists to bill for these services could discourage pharmacists from providing them, putting a greater burden on the healthcare system.

NATURE AND SOURCES OF OPPOSITION:

SUSAN HALPIN, EXECUTIVE DIRECTOR, CT ASSOCIATION OF HEALTH PLANS
Susan Halpin submitted written testimony in opposition to the bill. She suggest that section 1 would prevent insurers from recouping costs, which could increase the cost of healthcare and increase premiums. The testimony expressed opposition to section 3 of the bill, noting that dental insurance products are very different than medical insurance products, and that establishing a Dental Medical Loss Ratio would lead to an increase in premiums for dental insurance products, as well as fewer dental insurance products being available. She noted that the mandates that would be established by sections 4-7 would result in an administrative burden for insurers and an increase in costs. The testimony expressed support for section 10 of the bill, as "The revisions reflect the spirit of the 'clinical peer' law passed under Public Act 24-19 without the implications of a literal interpretation."

Reported by: Lauren Kaiser Krause **Date: 4/3/2025**