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**Written Testimony of  
Comptroller Kevin Lembo  
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**Insurance and Real Estate Committee  
Anthem-Hartford HealthCare Dispute Informational Forum**

Good morning Senator Larson, Representative Scanlon, Senator Kelly and members of the Insurance and Real Estate Committee:

Thank you for giving me this opportunity to testify today on the essential need for legislative action to protect patients from future health and financial harm resulting from contract disputes between insurance companies and health care providers.

I am relieved that Anthem Blue Cross and Hartford HealthCare have resolved their contract dispute – but we can also agree that it came far too late, after prolonged disruption to our entire health care system and hundreds of thousands of patients.

This case, more than any other, demonstrates the need for legislative action to protect patients when large corporations fail to responsibly reach timely agreements.

Make no mistake. This contract dispute was not a battle between good and evil, or David and Goliath. It was a fight between two large and powerful corporations that showed little regard for patients who were caught in the middle and merely used as cannon fodder.

As state comptroller, I administer the largest employer plan in the state – providing health care coverage to approximately 200,000 lives of state and municipal employees, retirees and their dependents.

During the course of Anthem and Hartford HealthCare's standoff, I heard from countless patients whose lives were disrupted during some of the most difficult times in their lives -- people in active cancer treatment, people with scheduled joint replacement surgeries and pregnant women in need of timely prenatal care. Even with legally mandated continuation-of-care requirements, many were still – at a minimum – confused about their status and misled into believing they couldn't continue to use their provider.

That's not okay.

The face of health care and health care financing is changing, and we're likely to see more, not fewer, cases of disrupted care without action.

The time has come for statewide patient protections – mandatory mediation, followed by mandatory binding arbitration. Senate President Martin Looney rightly proposed legislation two years ago and, since then, the stakes have been made even clearer by the dispute between Anthem and Hartford HealthCare.

I urge you to consider legislation that would, in the event of future disputes between insurance companies and health care providers, require:

- A 60-day “cooling off period,” in which – immediately upon the expiration of any contract – parties continue under the prior contract terms as they undergo mandatory mediation without disruption to care.
- In the event that mediation fails to produce a resolution within 60 days, then parties are subject to binding arbitration.
- Arbitrators should be required to consider essential factors, including affordability and quality of care. Rather than an agreement that simply pays more money for the same services and health care outcomes, there must be consideration for what will be done to improve the quality of health care.
- And finally, should one party reject arbitration – or any agreement – then that party, as in Medicare, must wait a full year before they can have any contract with that entity.

Like all employers, we provide health care because we want our employees to be healthy, safe and productive. Contract disputes that disrupt care and our entire health care system have the corrosive capacity to undermine the health, welfare and productivity of our entire economy.

Thank you for your consideration of this essential issue.