

Bill No. 1652

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Referred to Committee on Public Health and Safety

LCO No. 3923

Introduced by SEN. MACAULEY, 22ND DIST.

General Assembly,

January Session, A.D., 1971

AN ACT CONCERNING HOSPITAL RATE INCREASES.

CONNECTICUT STATE LIBRARY LEGISLATIVE REFERENCE SECTION

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 19-31a of the 1969 supplement to the general statutes is repealed and the following is substituted in lieu thereof: (a) The department of health shall make available to the council such staff as may be required. The hospital cost commission established under section 17-311 shall make available to the council all investigations, data and material as may be required by the council. (b) The council shall be concerned with the cost and quality of services by all medical care institutions licensed by the state department of health and of mental health. The council may undertake an objective evaluation of the costs and charges of medical care institutions and a continuous evaluation of reimbursement for services rendered to patients. It shall encourage and assist the efforts of Connecticut Blue Cross, Inc., and the Connecticut Hospital Association in developing reimbursement policies with financial incentives. It shall provide the insurance commissioner with detailed cost information which he can use in making policy decisions regarding premium rates and policy determinations for those third-party payors insuring institutional medical care costs. It may perform a thorough study of the cost, charges, third-party reimbursement rates and other factors affecting costs of all medical institutions in Connecticut, including but not limited to effective organizational relationships. It may study the ready-

to-serve cost of emergency services to determine the financial 36
responsibility of the state for this community service. It may 37
contract for research studies by others in the above areas or 38
contribute toward the development of programs to decrease the 39
costs or increase the effectiveness of medical care institutions.
These shall be on-going functions of the council. (c) The 40
council shall be empowered to gather information and advice as to 41
(1) the availability of facilities or services such as 42
preadmission, ambulatory or home care services which may serve as 43
alternatives or substitutes for the whole or any part of present
services; (2) the need for special equipment in view of existing 44
utilization of comparable equipment at the time and place and 45
under the circumstances proposed in order to avoid unnecessary 46
duplication in a single locality of expensive equipment or
services; (3) the possible economies and improvements in services 47
to be anticipated from the operation of joint central services 48
including, but not limited to, laboratory, research, radiology, 49
pharmacy, laundry and purchasing services, and (4) the adequacy
of the financial resources of the medical care institutions and 50
their sources of future revenue. (d) Any HOSPITAL OR OTHER 51
medical care institution [proposing] DESIRING to increase its 52
rate charges shall, at least thirty days prior to the DESIRED 53
effective date of such increase, file [such] A proposal in such
form as the council shall prescribe with the council and said 54
council [may, in its discretion] SHALL hold public hearings in 55
any case where [major] revision of charges is contemplated. 56
Notice of the time and place of such hearing shall be given to
the affected institution at least one week prior to the date 57
thereof and similar notice shall be given to the public in a 58
newspaper or newspapers having a circulation in the 59
municipalities affected. Such hearing shall be held, at the
discretion of the council, in Hartford or in a municipality so 60
affected. THE COUNCIL SHALL APPROVE OR DISAPPROVE SUCH PROPOSED 61
INCREASE IN RATE CHARGES WITHIN FIFTEEN DAYS AFTER EACH HEARING. 62
The council shall investigate complaints of excessive cost,

charges or quality of service. Public disclosure shall be made of the council's findings in all investigations under the provisions of this subsection and a report made to the local planning council, if any, and to the state department of health.

Sec. 2. No hospital or other medical care institution shall increase its rate of charges without the approval of the council.

Sec. 3. Any person, hospital or medical care institution approved by any order or decision of the council shall be subject to review by appeal to the superior court for Hartford county at the instance of any party in interest, on the basis of the record of the proceedings before the council and such review shall not be limited to questions of law. The court shall determine whether the filing of the appeal shall operate as a stay of any such order or decision of the council. The court may, in disposing of the issue before it, modify, affirm or reverse the order or decision of the council in whole or in part.

STATEMENT OF PURPOSE: To give the council on hospitals power to regulate hospital rate increases.

[Proposed deletions are enclosed in brackets and proposed additions are all capitalized, or underlined where appropriate.]