



Legislative History for Connecticut Act

SB 228

PA 82-40

H. res - <sup>consent</sup> 1230, 1403-1404

Senate - 610-611, 701

Insurance - 195-198, 228-229, 382

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H-311

CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1982

VOL. 25  
PART 4  
924-1348

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76

House of Representatives      Wednesday, April 7, 1982

Calendar 178, House Bill 5583, File No. 204,  
AN ACT CONCERNING THE TIME LIMIT FOR SUBMITTING PETITIONS  
RELATING TO LIQUOR PERMIT QUESTIONS.

At the top of page 15, Calendar 181, House Bill 5515,  
File No. 199, AN ACT CONCERNING THE PROCESS OF PAYMENT OF  
EXPENSES INCURRED BY ELECTIONS COMMISSIONERS.

Top of page 19, Calendar 209, Senate Bill 228,  
File No. 55, AN ACT AMENDING THE DEFINITION OF PROFESSIONAL  
SOCIETY.

Calendar 210, Senate Bill 430, File No. 102, AN  
ACT AUTHORIZING PAIER COLLEGE OF ART, INCORPORATED TO  
AWARD DEGREES.

Calendar 213, Senate Bill 177, File No. 104, AN  
ACT CONCERNING THE CONSOLIDATION OF SERVICES FOR AUTISTIC  
CHILDREN AND YOUTH.

And Calendar 214, Senate Bill 585, File No. 106,  
AN ACT ELIMINATING CERTAIN REDUNDANT LANGUAGE UNDER THE  
STATE TAX ON DUES AND INITIATION FEES.

On page 20, Calendar 215, Senate Bill 179, File  
No. 101, AN ACT CONCERNING TECHNICAL CHANGES TO CORRECT  
REFERENCES TO CERTAIN COMMISSIONERS.

Calendar 217, Substitute for Senate Bill 386, File  
No. 118, AN ACT CONCERNING THE TREATMENT OF TUBERCULOUS  
PERSONS.

H-312

CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
1982

VOL. 25  
PART 5  
1349-1776

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House of Representatives Monday, April 12, 1982

her vote in the affirmative.

Will the Clerk please announce the tally?

CLERK:

House Bill 5592 as amended by House Amendment  
Schedule "A".

Total Number voting	139
Necessary for Passage	70
Those voting Yea	139
Those voting Nay	0
Those absent and Not Voting	12

DEPUTY SPEAKER FRANKEL:

The bill as amended is passed.

REP. JOHNSTON: (51st)

Mr. Speaker.

DEPUTY SPEAKER FRANKEL:

Rep. Kevin Johnston.

REP. JOHNSTON: (51st)

Mr. Speaker, at this time I'd like to move for acceptance and passage of those bills listed on the Consent Calendar starting on page 1 with Calendar 118 through the bottom of Page 3, Calendar 221, with one exception I would ask that on Page 2, Calendar 210, I would ask that that bill be removed from the Consent

kgg

48

House of Representatives Monday, April 12, 1982

Calendar as it needs an amendment dealing with the effective date. But I would move for acceptance and passage of all those bills with that one exception.

DEPUTY SPEAKER FRANKEL:

The motion is for acceptance and passage of those bills listed on today's Consent Calendar, less item number 210. All those in favor please signify by saying aye.

REPRESENTATIVES:

Aye.

DEPUTY SPEAKER FRANKEL:

Those opposed, nay. The ayes have it. The motion carries. Those bills are passed.

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House Bill No. 5554, AN ACT CONCERNING THE CHURCH OF CHRIST OF DANBURY.

Substitute for House Bill No. 5707, AN ACT CONCERNING REGIONAL RESOURCE RECOVERY AUTHORITIES.

House Bill No. 5075, AN ACT CONCERNING FILING OF DOCUMENTS IN PLANNING AND ZONING MATTERS.

House Bill No. 5583, AN ACT CONCERNING THE TIME LIMIT FOR SUBMITTING PETITIONS RELATING TO LIQUOR PERMIT QUESTIONS.

House Bill No. 5515, AN ACT CONCERNING THE PROCESS OF PAYMENT OF EXPENSES INCURRED BY ELECTIONS COMMISSIONERS.

Senate Bill No. 228, AN ACT AMENDING THE DEFINITION OF PROFESSIONAL SOCIETY.

S-191

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
1982

VOL. 25  
PART 3  
587-896

SENATE

REGULAR SESSION  
Wednesday, March 31, 1982

24.  
roc

THE PRESIDENT:

Without objection, the matter will be placed on  
the CONSENT CALENDAR.

THE CLERK:

Cal. 57, File 55. Senate Bill 228. AN ACT  
AMENDING THE DEFINITION OF PROFESSIONAL SOCIETY.  
Favorable report of the Committee on Insurance and Real  
Estate.

THE PRESIDENT:

Senator Knous.

SENATOR KNOUS: (33rd)

Mr. President, I recommend acceptance of the  
committee's favorable report and passage of the bill.

THE PRESIDENT:

Will you remark?

SENATOR KNOUS:

Thank you. Again, Mr. President, <sup>under</sup>the current law  
health professionals that are members of professional  
societies cannot be held personally liable for their role  
in evaluating the quality and efficiency of health care

## 1982 GENERAL ASSEMBLY

## SENATE

REGULAR SESSION  
Wednesday, March 31, 1982

25.  
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provided by other health professionals. What this bill would do, Mr. President, would be to extend this protection to members of individual practices.

If there is no opposition to the bill, Mr. President, I would also move it to the Consent Calendar.

THE PRESIDENT:

Hearing no objection, so ordered to the CONSENT CALENDAR.

THE CLERK:

Cal. 63, File 30, 66. Substitute for House Bill 5038. AN ACT CONCERNING ACCESS TO JUVENILE AND YOUTHFUL OFFENDER RECORDS BY VICTIMS, as amended by House Amendment Schedule A.

Favorable report of the Committee on Judiciary.

THE PRESIDENT:

Senator Owens.

SENATOR OWENS: (22nd)

Mr. President, I move acceptance of the Joint Committee's favorable report and passage of this bill.

1982 GENERAL ASSEMBLY

701

SENATE

REGULAR SESSION  
Wednesday, March 31, 1982

115.  
roc

Total Voting is 35. Necessary for Passage is 18.

Voting Yea is 35. Voting Nay is 0. THE CONSENT CALENDAR

IS ADOPTED.

SB 500, SB 226, SB 228, SB 251, HB 5038, SB 182, SB 45,  
SB 328, SB 215, SB 430, SB 475, SB 121, SB 585, SB 177,  
SB 179, SB 263, SB 386, SB 361, HB 5704, HB 5100, HB 5760,  
Senator Schneller. SB 553, SB 584, SB 264, SB 266, SB 448,  
SB 298

SENATOR SCHNELLER:

Mr. President, our schedule for next week will be to convene at two o'clock on Tuesday, April 6. We will try to work late on Tuesday evening so that we can avoid coming in the following day on Wednesday, April 7. However, if we need to come in to clean up any work or cut down on the Calendar, we will come in on Wednesday, April 7, but I am hopeful that we can work late enough on Tuesday, April 6 to make that our only session day, but I would again remind members that Wednesday, the seventh is a tentative possibility. The Democratic caucus will meet at twelve thirty p.m. on Tuesday, April 6 in our caucusroom.

THE PRESIDENT:

Are there any other announcements or points of personal privilege?

SENATOR SCHNELLER:

If there are none, Mr. President, I would move

JOINT  
STANDING  
COMMITTEE  
HEARINGS

INSURANCE AND  
REAL ESTATE

1-382

1982  
INDEX

33  
klu

INSURANCE AND REAL ESTATE February 26, 1982

REP. THORP: The employees of UTC, for instance, are covered by self-insurance and the laws of the State of Connecticut as far as insurance is concerned, I am informed by the Commissioner, many of his testimonies, simply aren't covered. How would you propose that your proposal would affect people like that?

MS. GRAY: I would have to look into that and get back to you on it.

REP. THORP: And another point, how do the people for whom you are grieving differ from the thousands and thousands of those who are laid off, who have no group coverage whatever?

MS. GRAY: This Bill, as I understand it, is a recommendation of Representative Berman and we support it because it-- because loss of benefits does have a disproportionate affect on women. And particularly divorced women and widowed women. But I can try to look into some of your questions and provide some background data.

SEN. KNOUS: Thank you. Are there any other questions? The list for public members is completed unless there is any other member of a State agency or legislator who would like to testify. Is there anyone else? The next speaker is Peter--sorry I can't read the last name. Arensen. Peter, where are you?

MR. PETER ARENSEN: Mr. Chairman, Senators, Representatives, my name is Peter Arensen. I'm the Executive Director of Health Care, Health Maintenance organizations, individual practices association, providing comprehensive pre-paid medical services to subscribers of our plan. I am here today to testify in favor of proposed amendments to Raised Committee Bill 228, An Act Amendmending the Definition of a Professional Society to Include an Individual Practice Association.

As defined in Title 42, Section 300(e-1) paragraph 5, of the U.S. Public Service Act, an individual practice association is a partnership, corporation, association or other legal entity that has entered into a service arrangement or arrangements with person who are licensed

## MR. ARENSEN: (continued)

to practice medicine, osteopathic, dentistry, podiatry, optometry, or other health professions. Such an arrangement under the Act, shall provide (a) that such persons shall provide their professional services in accordance with a compensation arrangement established by the entity, and (b) to the extent feasible, for the sharing by such persons of medical and other records, equipment, professional, technical and administrative staff, for the arrangement and encouragement of continuing education of such persons in the field of clinical medicine and related areas. Health care is a newly federally qualified health maintenance organization and individual practice association. HMOIPA, servicing the citizens of New Haven County, including the towns of Shelton and Middletown.

As an HMOIPA, health care provides a broad and comprehensive federally mandated benefits that include preventive health services, physician services, as well as hospital services. These services are provided through more than 450 participating physicians as well as eight area hospitals located throughout New Haven County. Health care is now offered as an alternative to the basic carrier of such companies as the United Illuminating Company, G & O Manufacturing, Central Connecticut Gas Company and the Hemingway Corporation.

Since health provides such comprehensive and thoroughly mandated benefits, we depend upon preventive health services as well as utilization reviews to keep health care costs in line. In providing these services, the HMO acts as an administrative arm making available marketing, financial, membership and computer services to the IPA. In turn, the HMO contracts to the IPA for health services and the IPA in turn contracts to the physicians and other health care professionals to provide the medical services to the subscribers of the HMO.

In addition, the IPA is responsible for performing utilization review and quality assurances; that is doctors and other medical professionals review the medical records and practices of their peers to assure the delivery of quality and cost effective medical care.

35  
klu

INSURANCE AND REAL ESTATE February 26, 1982

MR. ARENSEN: (continued)

We are therefore requesting that individual practice association be included in the current regulations to protect our physicians and providers as other professional society members performing the same activities are now protected. I will more than happily answer any questions that you may have.

SEN. KNOUS: Senator.

SEN. ROBERTSON: Thank you. Philip Robertson. Peter, if I can try to put what you've said in language that maybe I understand, and if you'd correct me. As I read the proposed Bill, a group such as the American Medical Society can review doctor's records or performance records of a doctor without being liable. Is that correct?

MR. ARENSEN: That's correct, Phil. The Connecticut State Medical Society and the New Haven County Medical Association, the Hartford County Medical Association all have committees called board of censors peer review which review medical records. And as such, fall under the current act which is Section 38-19a and the definition of medical review committee and in that, that states that the purpose of this medical review committee would be for evaluating and improving the quality of health care rendered and (2) reducing the morbidity and mortality and (3) establishing and enforcing guidelines designed to keep within reasonable bounds, the cost of health care. As I just described to you, the Public Service Act, that's basically saying the same thing about an IPA as our own State law is saying about a professional society such as the American Medical Association, the Connecticut State Medical Society or the New Haven County Medical Association.

SEN. ROBERTSON: All right. But presently the State law does not--as I understand your group has a bigger review group of doctors.

MR. ARENSEN: That's correct.

SEN. ROBERTSON: That will do the same things as one of these societies would normally do in the normal practice of

36  
klu

INSURANCE AND REAL ESTATE February 26, 1982

SEN. ROBERTSON: (continued)  
reviewing operations of fellow doctors and your group  
under State statute, could be held liable unless they  
were to be included as a medical society.

MR. ARENSEN: That's correct.

SEN. ROBERTSON: And so basically what you're trying to do  
with this proposed Bill or what this proposed Bill is  
trying to do is just to include your type of society  
which follows the exact same standards as the American  
Medical Society and so on and so forth, and as I under-  
stand it, are also included in federal law but not in  
State law.

MR. ARENSEN: That's correct.

SEN. ROBERTSON: So you're really asking this proposed Bill  
Belt 7 will then allow your society to be included as it is in  
the Federal law.

MR. ARENSEN: Yes. We're mandated under Federal law. We'd  
also like to have the same protection under the State law.

SEN. ROBERTSON: All right. I now understand it. Thank you  
very much. Sir, do you have a copy of the proposed Bill  
in front of you?

MR. ARENSEN: Yes, I do.

SEN. ROBERTSON: Line 36, the fifth word in--majority of the  
eligible--

MR. ARENSEN: All right. Yes. That is correct and what we're  
attempting to say about that is that within the IPA, we  
do have a majority of the licensed states that have con-  
tracted to the HMO, just as a medical association or  
podiatry association would have the majority of their  
type of physicians or practitioners within their own  
association. It means that they're licensed.

SEN. ROBERTSON: Thank you very much.

REP. ANASTASIA: Any other questions? Thank you very much.

66  
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INSURANCE & REAL ESTATE

February 26, 1982

MR. TEITENBERG: (continued)

and productive method of no-fault reform, we recognize that this bill is a positive step toward eliminating nuisance claims, which can drive up auto insurance costs for Connecticut consumers. We believe that a verbal threshold, perhaps when combined with the monetary threshold would be the ultimate solution in stabilizing auto insurance costs.

And lastly, with regard to 207, we would not oppose that bill. We would support it. I thank you.

REP. ANASTASIA: Any questions from members of the Committee? Thank you, sir.

REP. PARKER: Charles Watson.

CHARLES WATSON: Representative Anastasia, members of the Committee, my name is Charles S. Watson. I'm president of Arthur Watson and Company, which is an insurance agency both in Wethersfield and New Haven. Also the Legislative Chairman for the Independent Insurance Agents of Connecticut, representing roughly 4000 agent and employees.

I want to speak on three measures very briefly. One, the no-fault I.D. card, Senate Bill 207. I'm sure you've all seen this little card which I hold up in my hand. We all have them now. The only difference between this card that I have for my car and the one that this bill proposes is the elimination of the signature in the lower right corner.

It would enable us to use a standard card for any company and in those states that have already passed this legislation, Pennsylvania, Delaware, Georgia, Kansas, Idaho, Utah and Colorado, any resident of Connecticut who would be unfortunate enough to have an accident in one of those states would have a card similar to the one that the people in that state have, and that would be less confusing for law enforcement people there.

So we would urge your joint favorable recommendation of Bill 207.

Senate Bill 228, which is a bill amending the definition of professional society, this past year in 1981 our agency

67  
kdd

February 26, 1982

MR. WATSON: (continued)

became the managing general agent for the CNA Insurance Company in Chicago, Illinois, who received the endorsement of the Connecticut State Medical Society and the local county societies for professional liability insurance.

One of the key provisions of the proposal to the Connecticut State Medical Society, which they accepted, was the assistance of the CNA Insurance Company in the peer review process, loss control and peer review. This is a significant process in providing quality physician and medical care to Connecticut citizens.

The immunity under Public Act, or the statute 38-19A, addressed itself only to county, state societies. It does not include an HMA or individual practice association as it is addressed by this Bill 228.

Whether the medical care is given through an IPA, which is the physician in his own office providing care, or whether it's given in a clinic setting, or whether it's through a hospital or any other approved institution, it's important that physicians be given the opportunity to police their own.

The inclusion of IPA as protected under this legislation would enable physicians to participate in the peer review process without fear that their testimony in these committees would be discoverable. It doesn't mean that an individual who feels that they've been harmed does not have regress, but they can't obtain the information through this committee. That's all. They can obtain it any other way, but not through the committee. We would urge, I would urge your passage of that, not as an independent insurance agent, not as a member of the Insurance Association, but simply as a managing general agent for CNA Insurance here in Connecticut.

Last bill I'd just like to comment on, and I hadn't expected to do so, but it was Senator Berman's bill, 224, giving extension of coverage in group rates for divorced and widowed, or widowers, I didn't see that, but I assume she meant widowers as well. Connecticut did pass three years ago, and I'm sure you're aware, a comprehensive health care bill, which both Blue Cross and the commercial carriers presently offer, a very substantial policy with



# The Fairfield County Medical Association <sup>382</sup>

60 KATONA DRIVE FAIRFIELD, CONNECTICUT 06430

TEL. (203) 334-5168

March 1, 1982

## SB 228 - AN ACT AMENDING THE DEFINITION OF PROFESSIONAL SOCIETY

POSITION: *SUPPORT*

An Individual Practice Association (IPA) is a group of physicians who agree to provide fee-for-service medical care in their own offices as part of a contract with a health maintenance organization (HMO).

Cost control is the very heart of the IPA-HMO concept and the main reason why the federal government favors it, as do business and industry, which have been experiencing rapidly rising health-insurance costs for employees.

There is strong financial incentive for IPA physicians to control utilization, especially hospital admissions and length of stay, where the biggest savings are possible.

Costs and utilization are monitored by a stringent peer review process within the physician-run IPA itself. Physicians review their colleagues in much the same way they now do in hospital committees and Physician Standard Review Organizations (PSROs).

The problem in Connecticut is that current law does not provide immunity for physicians and providers performing utilization review and quality assurance for the IPA.

This bill would extend the same peer immunity to physicians and providers of an IPA that other professional society members performing *the same activities* currently have.

The FCMA Board of Trustees strongly urges you to *SUPPORT* SB 228 when it comes before you so that IPA/HMO physicians can continue to demonstrate their concern for the high cost of health care without any diminution in the quality of that care.

If the Association can provide you with any further information on this legislation, please do not hesitate to contact Gloria Meickle at 334-5168.

*This position statement has been provided by the FCMA on behalf of its 1400 physician members.*

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