

PA 11-151

HB6614

House	2167-2171	5
Judiciary	4791-4793, 4956-4959	7
<u>Senate</u>	<u>6548, 6573-6578</u>	<u>7</u>
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**JOINT
STANDING
COMMITTEE
HEARINGS**

**JUDICIARY
PART 15
4610 – 4935**

2011

knowing what differences there were in each state by state, I mean that would be a real problem. I mean, if you're going to go about doing something like this, frankly the best place to do it would be under federal law.

SENATOR McLACHLAN: Thank you for your testimony.
Thank you, Mr. Chairman.

REP. FOX: Thank you. Are there any other questions? Okay. Thank you very much.

KEITH KUPFERSCHMID: Thank you very much.

REP. FOX: Next is David Florin.

DAVID FLORIN: Good afternoon. I guess it's still afternoon. Chairman Fox, members of the committee, my name is David Florin. I'm associate general counsel for health affairs for Yale University. Thank you for this opportunity to express Yale University's support for House Bill 6614, AN ACT CONCERNING MEDICAL FOUNDATIONS.

The legislation is a technical amendment to public act 09-212 which authorizes hospitals, health care systems, and certain physician practices to form not-for-profit medical foundations for the specific purpose of delivering patient care. House Bill 6614 would add medical schools to the list of providers that can provide medical foundations. Most medical schools, and it is certainly true for both the Yale and University of Connecticut medical schools have large multi-specialty clinical faculty practices that are involved not only in vital cutting edge medical and scientific research and our clinical classrooms for medical trainees, but also vanguards in providing excellent patient care to the community.

The Yale clinical faculty practice is a significant provider of medical services to Connecticut residents. One of the key issues facing the health care industry is the ability to deliver lower cost integrated care. Pilot programs in the national level are addressing this issue through the establishment of integrated delivery models. At Yale, we are keenly interested in closely working with community, primary care and specialty physicians to better integrate them into a delivery model that will not only further improve the quality of medical care but will address issues associated with rising medical costs.

Working together brings the best of both academic and community medicine to the public. A not-for-profit medical foundation is an efficient and widely recognized model for reducing costs and improving the quality of care in an integrated fashion. Participation in a medical foundation would allow community physicians more time to care for their patients, ensure that their patient's care was being handled in a coordinated, quality setting, while also having the physicians own needs met by centrally handling administrative functions where efficiencies of scale can be achieved.

Simply put, as this body recognized when it passed public act 09-212, a not-for-profit medical foundation provides a viable delivery network for patient care as well as a valuable alternative to physicians while having little impact on patient choice.

Further, as we move forward with the catamount care organizations and patient concentric medical homes and delivering patient care,

medical foundations as the basis of those entities, makes a lot of sense. House Bill 6614 provides a simple solution. It would add accredited schools of medicine to the list of organizations that are permitted to create or become members of medical foundations. It is a minor technical amendment that would help to advance medical care for the residents of Connecticut.

We understand that both the University of Connecticut Health Center and Quinnipiac University which will open a medical school in 2013 support this legislation. We are not aware of any opposition to this technical amendment. We are grateful for the committee's interest in this issue and hope that the General Assembly will enact House Bill 6614 in this session. Thank you. I'd be pleased to answer any questions the committee may have.

REP. FOX: Thank you very much. Thanks for waiting all day. Are there any questions? Thank you.

DAVID FLORIN: Thank you.

REP. FOX: Next is Doug Newnan. Is Mr. Newnan here? How about Chris Herb? How about Mel Alli? Okay. Joan Welch?

JOAN WELCH: I think I've changed the time on my thank you from morning to afternoon and now evening. My name is Joan Welch and I live in a common interest ownership community. I've been a member there since it was organized in 1965. Over the years I have been on the board of directors, I have been chairman and members of committees, I have been chairman and members of committees that revised the governing documents of the cooperative -- bylaws, occupancy agreements and rules and regulations.

SB1205
SB1208
HB1620

**JOINT
STANDING
COMMITTEE
HEARINGS**

**JUDICIARY
PART 16
4936 – 5247**

2011

Judiciary Committee
Public Hearing Testimony
By

Adam R. Silverman MD
Interim Associate Dean for Clinical Affairs, UConn School of Medicine
March 25, 2011

HB 6614 AN ACT CONCERNING MEDICAL FOUNDATIONS

Thank you for affording me the opportunity to submit written testimony in support of **HB 6614 AN ACT CONCERNING MEDICAL FOUNDATIONS**. I am pleased to join my colleagues from Yale Medical School in supporting this bill. I am the Interim Associate Dean for Clinical Affairs and Medical Director for the UConn Medical Group at the University of Connecticut Health Center. The UConn Medical Group is the state's only public multi-specialty practice group that provides primary and specialty care to the citizens of Connecticut. Our clinics serve as a key training site for the students and residents of the UConn Medical School.

Public Act 09-212 authorized hospitals, health care systems, and certain physician practices to form medical foundations. Medical foundations are a preferred model for creating "accountable care organizations" that will help to improve the quality and cost-efficiency of medical care. In reviewing the Act, we found that it did not include physician practices that are part of accredited medical schools.

It is widely recognized that a fragmented system of delivering and financing health care contributes to the rapid increases in health care spending. Many observers believe that the quality of care can be improved, and the cost of care brought under better control, if physicians and hospitals integrate care and are held jointly responsible for the quality and cost of caring for patients. Indeed, the federal health care reform law, the Patient Protection and Affordable Care Act, instructs Medicare to promote the development of accountable care organizations serving Medicare enrollees.

We applaud the General Assembly for its foresight in enacting Public Act 09-212 as it represents a major advance in improving the quality of healthcare and health delivery in the state. This bill would simply add, what we believe, is a technical amendment to include – the clinical faculty physicians at accredited schools of medicine (in Connecticut that would include the Yale School of Medicine and the UConn School of Medicine). While we are currently not pursuing the establishment of a medical foundation, the opportunity to consider doing so, at some point in the future, would be tremendously beneficial and passage of this bill would allow us to do just that.

Thank you in advance for your attention and I urge your adoption of **HB 6614**.

QUINNIPIAC UNIVERSITY

SCHOOL OF MEDICINE

Office of the Dean

To: Honorable Eric D. Coleman, State Senator,
Honorable Gerald Fox, III, State Representative
and the honorable members of the Judiciary Committee

From: Bruce M. Koeppen, M.D., Ph.D. 
Dean of the School of Medicine
Quinnipiac University

Re: Raised Bill No. 6614, AN ACT CONCERNING MEDICAL FOUNDATIONS

Date: March 25, 2011

I am writing to urge you to repeal Section 33-182aa of the Connecticut general statutes and approve Raised Bill No. 6614, AN ACT CONCERNING MEDICAL FOUNDATIONS that is before you for your consideration. This proposed legislation represents a significant advancement in enabling health care delivery in Connecticut as it would amend current law to include an accredited school of medicine in the establishment of medical foundations.

An accredited school of medicine must have the ability to organize and become a member of a not-for-profit medical foundation. Governed by a Board of Directors, the medical foundation is necessary for the purpose of practicing medicine and providing health care services as a medical foundation through employees or agents of the foundations who are licensed pursuant to section 20-9 and through other providers. The General Assembly, on behalf of Connecticut residents, must assist in promoting a unified system that better serves its constituency.

It is widely believed that if physicians and hospitals integrate care and are held jointly responsible for the quality and cost of caring for patients, the quality of care could be improved and costs brought under better control. It is interesting to note that the federal health care reform law, the Patient Protection and Affordable Care Act instructs Medicare to promote the development of accountable care organizations serving its enrollees. The preferred organizational structure for the networks of primary care providers, specialists and hospitals are the medical foundations.

In conclusion, I emphasize that the medical foundations offer a sustainable and appropriate framework for the efficient development and management of a comprehensive provider network. I appreciate your attention to this matter, and again, I urge you to support this proposed legislation.

Testimony of
Yale University Submitted to the Judiciary Committee
on HB 6614, An Act Concerning Medical Foundations

March 25, 2011

Chairman Coleman, Chairman Fox, and distinguished Members of the Committee, thank you for this opportunity to express Yale University's enthusiastic support for HB 6614, An Act Concerning Medical Foundations. The legislation would enable medical schools in Connecticut to play their part in improving the quality and cost-effectiveness of care in Connecticut in the same manner as authorized previously for hospitals and other entities. The University is grateful for the Committee's interest in this bill.

HB 6614 would amend Public Act 09-212, which authorizes hospitals, health care systems, and certain physician practices to form not-for-profit medical foundations for the specific purpose of delivering patient care. This is an exception to Connecticut's corporate practice of medicine doctrine. Public Act 09-212 is a good law, but unfortunately it does not cover some of the largest groups of organized physicians in the State – physician practices that are affiliated with accredited schools of medicine.

Let me explain why the law should cover medical schools. For most medical schools, and it is certainly true for both the Yale and UConn Medical Schools, clinical practitioners play a vital role in medical education. It is typical for schools of medicine to have large, multispecialty faculty practices that are the "clinical classroom" for medical trainees. These clinicians not only provide excellent patient care but are also involved in vital cutting edge medical and scientific research and are also "clinical laboratories" for improvements in the delivery of patient care. The faculty physician practices are an integral part of the curriculum and part of the framework of the medical school.

In addition to playing a major role in teaching and research, the Yale clinical faculty physician practice is a significant provider of medical care to Connecticut residents. Thus the Yale clinical faculty are fully engaged in efforts to improve the quality and cost-effectiveness of care. Like other providers, faculty physician practices are trying to address the fragmented system of delivering and financing health care that contributes to the rapid increases in health care spending. At Yale we are keenly interested in closely working with primary care and specialty physicians in our community to better integrate the delivery of care in a way that will help to improve the quality of care, and to bring the cost of care under better control.

A not-for-profit medical foundation will be an efficient model for organizing a network of community based providers, closely affiliated with a medical school, that would be jointly responsible for the quality and cost of caring for patients. It would allow community physicians to join with a school of medicine in treating patients. It would enable community physicians to devote more of their time to caring for patients and to leave the administrative functions to be handled by the Foundation where efficiencies can be achieved. Also, in this period where community physicians are finding it more difficult to cost effectively deliver quality patient care, a medical foundation would provide a stable economic platform less burdened by the declining payments small practices are facing. As we move forward with Accountable Care Organizations and patient-centric medical homes in delivering patient care, medical foundations as the basis

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for those entities, makes a lot of sense. Foundations will have no effect on how patients see their doctors.

Unfortunately, under Public Act 09-212, Yale (or any other medical school) is not authorized to create, or become a member of, a medical foundation because the faculty physician practice, part of the School of Medicine, is not a separately incorporated entity. It is part of Yale University and the clinicians are members of the University faculty. Yale has no interest in reorganizing the faculty physician practice as an independent legal entity because it is an integral part of the curriculum.

However, HB 6614 provides a simple solution. It would add accredited schools of medicine to the list of organizations that are permitted to create or become members of medical foundations. It is a minor, technical amendment that would help to advance better medical care for the residents of Connecticut.

We understand that the University of Connecticut Health Center supports the legislation, as does Quinnipiac University, which will open a school of medicine in 2013. We are not aware of any opposition to this technical amendment.

Public Act 09-212 represents a significant advance in improving health care delivery in Connecticut. However, it overlooked a large and important group of providers – the clinical faculty physicians at accredited schools of medicine. We are grateful for the Committee's interest in this issue and hope that the General Assembly will enact HB 6614 in this session.

I would be pleased to answer any questions you may have.

H – 1098

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
2011**

**VOL.54
PART 7
2055 – 2400**

(Deputy Speaker Orange in the Chair.)

DEPUTY SPEAKER ORANGE:

Will the Clerk please call Calendar Number 347.

THE CLERK:

On page 45, Calendar 347, House Bill Number 6614,
AN ACT CONCERNING MEDICAL FOUNDATIONS, favorable
report by the Committee on Public Health.

DEPUTY SPEAKER ORANGE:

Representative Gerry Fox of the 146th District,
you have the floor, sir.

REP. FOX (146th):

Thank you, Madam Speaker, and good afternoon.

I move for the acceptance of the Joint
Committee's favorable report and passage of the bill.

DEPUTY SPEAKER ORANGE:

Good afternoon to you as well.

The question is acceptance of the Joint
Committee's favorable report and passage of the bill.

Representative Fox, you have the floor, sir.

REP. FOX (146th):

Thank you, Madam Speaker.

In 2009, the General Assembly passed a bill that
allowed hospitals and independent physicians to form

medical foundations. What we did not do at that time and it appears that it was more of an inadvertent oversight was it also include accredited medical schools. And what this bill does is it would allow accredited schools throughout our state to also incorporate nonprofits corporations for medical foundations which would then enable them to do the same work that we currently allow of our hospitals and our independent physicians.

It received significant support from the medical schools in our state, and I would urge passage.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further on the bill?

Will you care to remark further on the bill?

Representative Hetherington of the 125th, you have the floor, sir.

REP. HETHERINGTON (125th):

Thank you, Madam Chair.

I'm please to rise in support of this bill. This bill, as the Chairman indicates, I believe corrects an oversight in the authorization of these medical foundations. The clinical services provided by clinicians associated with medical schools, provides a

vital link in health care for the citizens of this state.

The bill has the support of both UConn Medical School and Yale Medical School and does, simply, as the Chairman indicates, fill the gap that was apparently created by an oversight, and I would strongly urge passage.

Thank you, Madam Chair.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further?

Representative Srinivasan, you have the floor, sir.

REP. SRINIVASAN (31st):

Thank you, Madam Speaker.

I do rise in strong support of this bill. As previously said, this is an oversight that we are correcting and it is being approved and -- both by Yale, as well as UConn. We definitely need this, and I am requesting all my colleagues to support this bill as well.

Thank you, Madam Chair.

DEPUTY SPEAKER ORANGE:

Thank you, sir.

Will you care to remark further on the bill before us? Will you care to remark further on the bill before us?

If not, staff and guests please come to the well of the House. Members take your seats. The machine will be opened.

THE CLERK:

The House of Representatives is voting by roll call. Members to the chamber. The House is taking a roll call vote. Members to the chamber please.

DEPUTY SPEAKER ORANGE:

Have all members voted? Have all members voted? If all members have voted, please check the board to determine if your vote has been properly cast. If so, the machine will be locked and the Clerk will take a tally.

Will the Clerk please announce the tally.

THE CLERK:

House Bill 6614.

Total Number voting	136
Necessary for passage	69
Those voting Yea	136
Those voting Nay	0
Those absent and not voting	15

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HOUSE OF REPRESENTATIVES

35
May 11, 2011

DEPUTY SPEAKER ORANGE:

Thank you, sir.

The bill passes.

DEPUTY SPEAKER ORANGE:

Will the Clerk please call Calendar Number 398.

THE CLERK:

On page 26, Calendar 398, Senate Bill Number 861,
AN ACT MAKING TECHNICAL REVISIONS TO PLANNING AND
DEVELOPMENT STATUTES, favorable report by the
Committee on Planning and Development.

DEPUTY SPEAKER ORANGE:

Representative Linda Gentile, you have the floor,
madam.

REP. GENTILE (104th):

Thank you, Madam Speaker.

I move for acceptance of the Joint Committee's
favorable report and passage of the bill in
concurrence with the Senate.

DEPUTY SPEAKER ORANGE:

The question is acceptance of the Joint
Committee's favorable report and passage of the bill
in concurrence with the Senate.

Representative Gentile.

REP. GENTILE (104th):

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**CONNECTICUT
GENERAL ASSEMBLY
SENATE**

**PROCEEDINGS
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PART 21
6546-6914**

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SENATE

495
June 7, 2011

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Also, calendar page 12, Calendar 500, House

Bill Number 6614.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Also, calendar page 12, Calendar 507, House

Bill Number 6295.

Madam President, move to place the item on the
Consent Calendar.

THE CHAIR:

So ordered.

SENATOR LOONEY:

Thank you, Madam President.

Also, calendar page 12, Calendar 508, House

Bill Number 6222.

Move to place the item on the Consent Calendar.

THE CHAIR:

mhr/cd/gbr
SENATE

520
June 7, 2011

Mr. Clerk.

THE CLERK:

Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber. Immediate roll call's been ordered in the Senate on the Consent Calendar. Will all Senators please return to the Chamber.

THE CLERK:

Madam President, the items placed...

THE CHAIR:

I would ask the Chamber to be quiet please so we can hear the call of the Calendar for the Consent Calendar.

Thank you.

Please proceed, Mr. Clerk

THE CLERK:

Madam President, the items placed on the first Consent Calendar begin on calendar page 5, Calendar 336, House Bill 5697.

Calendar page 7, Calendar 421, Substitute for House Bill 6126.

Calendar page 8, Calendar 449, Senate Bill 1149.

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SENATE

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Calendar page 10, Calendar 470, Substitute for House Bill 5340. Calendar 474, Substitute for House Bill 6274. Calendar 476, House Bill 6635.

Calendar page 12, Calendar 499, Substitute for House Bill 6638. Calendar 500, House Bill 6614. Calendar 508, House Bill 6222.

Calendar page 13, Calendar 511, House Bill 6356. Calendar 512, Substitute for House Bill 6422. Calendar 514, House Bill 6590. Calendar 515, House Bill 6221. Calendar 516, House Bill 6455.

Calendar page 14, Calendar 517, House Bill 6350. Calendar 519, House Bill 5437. Calendar 522, House Bill 6303.

Calendar page 15, Calendar 523, Substitute for House Bill 6499. Calendar 524, House Bill 6490. Calendar 525, House Bill 5780. Calendar 526, House Bill 6513. Calendar 527, Substitute for House Bill 6532.

Calendar page 16, Calendar 528, House Bill 6561. Calendar 529, Substitute for House Bill 6312. Calendar 530, Substitute for House Bill 5032. Calendar 532, House Bill 6338.

Calendar page 17, Calendar 533, Substitute for House Bill 6325. Calendar 534, House Bill 6352.

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SENATE

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Calendar 536, House Bill 5300. Calendar 537, House
Bill 5482.

calendar page 18, Calendar 543, House Bill 6508.

Calendar 544, House Bill 6412. Calendar 546,
Substitute for House Bill 6538. Calendar 547,
Substitute for House Bill 6440. Calendar 548,
Substitute for House Bill 6471.

Calendar page 19, Calendar 550, Substitute for
House Bill 5802. Calendar 551, House Bill 6433.
Calendar 552, House Bill 6413. Calendar 553,
Substitute for House Bill 6227.

Calendar page 20, Calendar 554, Substitute for
House Bill 5415. Calendar 557, Substitute for House
Bill 6318. Calendar 558, Substitute for House Bill
6565.

Calendar page 21, Calendar 559, Substitute for
House Bill 6636.

Calendar page 22, Calendar 563, Substitute for
House Bill 6600. Calendar 564, Substitute for House
Bill 6598. Calendar 566, House Bill 5585.

Calendar page 23, Calendar 568, Substitute for
House Bill 6103. Calendar 570, Substitute for House
Bill 6336. Calendar 573, Substitute for House Bill
6434.

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SENATE

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Calendar page 24, Calendar 577, Substitute for
House Bill 5795.

Calendar page 25, Calendar 581, House Bill
6354.

Calendar page 26, Calendar 596, Substitute for
House Bill 6282. Calendar 598, Substitute for House
Bill 6629.

Calendar page 27, Calendar 600, House Bill
6314. Calendar 601, Substitute for House Bill 6529.
Calendar 602, Substitute for House Bill 6438.
Calendar 604, Substitute for House Bill 6639.

Calendar page 28, Calendar 605, Substitute for
House Bill 6526. Calendar 608, House Bill 6284.

Calendar page 30, Calendar number 615,
Substitute for House Bill 6485. Calendar 616,
Substitute for House Bill 6498.

Calendar page 31, Calendar 619, Substitute for
House Bill 6634. Calendar 627, Substitute for House
Bill 6596.

Calendar page 32, Calendar 629, House Bill
5634. Calendar 630, Substitute for House Bill 6631.
Calendar 631, Substitute for House Bill 6357.
Calendar 632, House Bill 6642.

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SENATE

524
June 7, 2011

Calendar page 33, Calendar 634, Substitute for
House Bill 5431. Calendar 636, Substitute for
House, correction, House Bill 6100.

Page 34, Calendar 638, Substitute for House
Bill 6525.

Calendar page 48, Calendar 399, Substitute for
Senate Bill 1043.

Calendar page 49, Calendar 409, Substitute for
House Bill 6233. Calendar 412, House Bill 5178.
Calendar 422, Substitute for House Bill 6448.

Calendar page 52, Calendar 521, Substitute for
House Bill 6113.

Madam President, that completes the item placed
on the first Consent Calendar.

THE CHAIR:

Thank you, sir.

We call for another roll call vote. And the
machine will be open for Consent Calendar number 1.

THE CLERK:

The Senate is now voting by roll on the Consent
Calendar. Will all Senators please return to the
Chamber. The Senate is now voting by roll on the
Consent Calendar, will all Senators please return to
the Chamber.

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SENATE

525
June 7, 2011

Senator Cassano, would you vote, please, sir.

Thank you.

Well, all members have voted. All members have voted. The machine will be closed, and Mr. Clerk, will you call the tally?

THE CLERK:

Motion is on option Consent Calendar Number 1.

Total Number Voting	36
Those voting Yea	36
Those voting Nay	0
Those absent and not voting	0

THE CHAIR:

Consent Calendar Number 1 has passed.

Senator Looney.

SENATOR LOONEY:

Thank you, Madam President.

We might stand at ease for just a moment as we prepare the next item..

THE CHAIR:

The Senate will stand at ease.

(Chamber at ease.)