

March 18, 2014

The Honorable Joseph J. Crisco  
The Honorable Robert W. Megna  
Co-Chairs  
Insurance and Real Estate Committee  
Connecticut General Assembly  
Room 2800, Legislative Office Building  
Hartford, CT 06106

Re: AMA support for Raised Bill 5579, “An Act Extending The Grace Period for Nonpayment of Premium for Certain Health Plans and Concerning Disclosure by Health Carriers to Health Care Providers of Enrollees’ Paid-Up Status”

Dear Senator Crisco and Representative Megna:

On behalf of the American Medical Association (AMA) and our physician and student members, I am writing in **support of Raised Bill (R.B.) 5579**, “An Act Extending The Grace Period for Nonpayment of Premium for Certain Health Plans and Concerning Disclosure By Health Carriers to Health Care Providers of Enrollees’ Paid-Up Status.” The AMA supports this legislation because it would, among other improvements, require health insurers to provide physicians with necessary information to help ensure continuity of care for patients in Connecticut’s health insurance exchange plans.

Under the Affordable Care Act (ACA), if certain patients fail to pay their premiums, they enter a 90-day “grace period.” During this time, patients continue to have coverage, but insurers may withhold payment to physicians during the second and third months of the grace period until patients pay their premiums. If patients fail to pay their premiums by the end of the grace period, physicians may not receive payment for care provided. Many physicians will struggle to absorb the potential financial impact of this provision.

Also under the ACA, insurers are broadly required to notify physicians of patients’ grace period status. While guidance from the Centers for Medicare & Medicaid Services encourages insurers to do so when responding to an eligibility verification request, the precise timing and content of the notification is entirely too vague. The uncertainty around notification has led to concern among many physicians and has the potential to cause confusion and disruption to physicians’ offices, hospitals and patients seeking care under the ACA.

R.B. 5579 will help alleviate these problems for patients, physicians and other providers because it requires insurers to provide specific, detailed information in a timely manner to physicians regarding a patient’s grace period status. It also requires the insurer to be transparent with physicians and other health

Honorable Joseph J. Crisco  
March 18, 2014  
Page 2

care providers regarding actions the insurer intends to take when a patient is in the grace period. By increasing transparency and providing a reasonable measure of clarity about the grace period, R.B. 5597 also may have the additional and important benefit of encouraging Connecticut's physicians to participate in the state exchange.

For the aforementioned reasons, the AMA supports R.B. 5597. If you have any questions, please feel free to contact Daniel Blaney-Koen, JD, Senior Legislative Attorney, Advocacy Resource Center at [daniel.blaney-koen@ama-assn.org](mailto:daniel.blaney-koen@ama-assn.org) or (312) 464-4954 or Emily Carroll, Senior Legislative Attorney, Advocacy Resource Center, at [emily.carroll@ama-assn.org](mailto:emily.carroll@ama-assn.org) or (312) 464-4967. Thank you for the opportunity to provide our input. We look forward to working with you toward enactment of this important legislation.

Sincerely,

James L. Madara, MD

cc: Members of the Joint Committee on Insurance and Real Estate  
Connecticut State Medical Society