



# Physician Practice Workgroup

A Study of Physician Group Practices in Connecticut

January 2023





## Members

The Physician Practice Workgroup was formed by OHS and comprised of OHS staff, as well as representatives from a cross-section of Connecticut’s constituents including consumer advocates, independent physician groups, hospital providers, insurance representatives, and staff employees from various state agencies. A full list of the members and the organizations that they represent is provided in the table below.

Member	Organization
Rod Acosta, MD	Stamford Health
Jean Ahn	Nuvance Health
Rich Almada	ProHealth Physicians
Marjorie J. Breen	Connecticut Insurance Department
Ronald Ciesones	Office of Health Strategy
Jeff Cohen, MD	Hartford HealthCare
Alan Coker	Consumer Representative
Rachel Davis*	Office of Attorney General
Lou Fiorillo	CIGNA Insurance Company
Khuram R. Ghumman, MD	East Granby Family Practice, LLC
Richard Goldstein, MD	Northeast Medical Group
Chris Hyers	UConn Health
Dinesh Kapur, MD**	Eastern CT Hematology/Oncology Associates
Alan Kaye, MD	Retired Radiology Physician
Steven Lazarus**	Office of Health Strategy
Leland McKenna	Middlesex Hospital
Atique A. Mirza, MD	Central CT Cardiologists, LLC
Robin Gail Oshman, MD, PhD	Private Practice Physician
Theresa Riordan	Anthem Insurance Company
Robert D. Russo, MD	Russo Radiology
Michael Steinmetz	Generations Family Health Center
Lisa Trumble	Southern New England Healthcare Organization

*\*Rachel Davis retired at the end of March 2022 and was replaced by Nicole Demers who took a new position at the Office of the Attorney General in October 2022 and was then replaced by Cara Passaro.*

*\*\*Steven Lazarus and Dinesh Kapur, MD, were co-chairs of the workgroup.*

## Objective

The Workgroup was formed in response to Public Act 21-129 which was signed into law in July 2021. The Public Act requires OHS to study physician group practices within Connecticut (CT). The executive director of OHS is to report on the outcome of the study, and to the General Assembly not later than February 1, 2023.

This Workgroup's mission was as follows:

- To improve the oversight and regulation of mergers and acquisitions of physician practices to improve health care quality and choice in CT;
- To study methods to ensure the viability of physician practices; and
- To develop legislative recommendations to improve reporting and oversight of physician practice mergers and acquisitions, including possible changes to the CT general statutes.

## Process

The Workgroup members had their initial meeting in November 2021 and met monthly via Zoom video conference calls until January 2023. There were numerous presentations from Workgroup members, consultants, and staff from various state agencies on an array of topics related to the operations and issues facing physician group practices. A calendar of those presentations is provided on the following page.

After the presentations, members discussed the topics and provided opinions and insight. Members of the group then narrowed down the topics discussed to focus on a core group of issues to include in this report. A summary of those issues is provided in the following pages along with the Workgroup's recommendations to the OHS Executive Director on possible solutions to the issues. More detailed information on the Workgroup meetings can be found here: [OHS PPW webpage](#).

Date	Title / Topic of Presentation	Presenter
December 2021	<p>Presentation on OHS Statutes related to group practices and the CON process.</p> <p>Group practice data collected by OHS.</p>	<p>Steven Lazarus (OHS)</p> <p>Olga Armah (OHS)</p>
January 2022	Presentation entitled “Antitrust Enforcement in Healthcare Markets Physician Practices and Hospitals.”	Fiona Scott Morton (Yale School of Management)
February 2022	Presentation entitled “Consolidation of Healthcare Providers.”	Katherine Gudikson (The Source)
March 2022	Presentation on how Material Change of Ownership transactions are reviewed by the Office of the Attorney General.	Attorney Rachel Davis (Office of the Attorney General)
May 2022	<p>Presentation entitled “Recruitment and Retention of Physicians in Connecticut and the Disappearing Independent Practice of Medicine.”</p> <p>Comments on life experiences with getting proper healthcare.</p>	<p>Dr. Robert D. Russo (Russo Radiology)</p> <p>Alan Coker (Public / Consumer)</p>
June 2022	Comments on Stamford Health Medical and his personal experiences on group practices.	Rod Acosta (Stamford Health)
July 2022	<p>Presentation on Yale Medicine.</p> <p>Comments on Middlesex Hospital/Health and group practices.</p>	<p>Margaret McGovern (Yale Medicine)</p> <p>Leland McKenna (Middlesex Hospital)</p>
August 2022	<p>Presentation on the Yale New Haven Health Services entity Northeast Medical Group.</p> <p>Presentation on ProHealth / Optum.</p>	<p>Richard Goldstein and Aimee Derry (Northeast Medical Group)</p> <p>Rich Almada (ProHealth Physicians and Optum Care Network of CT)</p>
September 2022	Presentation entitled “Physician Practice Workgroup Considerations.”	Jean Ahn (Nuvance Health)
November 2022	<p>Presentation entitled “The Corporate Practice of Medicine.”</p> <p>Presentation of Financial data collected by OHS on medical groups.</p>	<p>Andrew Keller, MD (OHS)</p> <p>Ron Ciesones (OHS)</p>

## Discussion Topics for Recommendation Development

After several weeks of deliberations, a majority of the Workgroup decided that the following five (5) topics related to physician practices were most in need of attention and should be reframed as recommendations to the Executive Director.

### **1. Reconcile internal inconsistencies among OHS' data reporting requirements for group practices**

Connecticut General Statutes (C.G.S.) §§ 19a-638(a)(3), 19a-630(9), 19a-639(b) require the filing of group practice data when there are eight (8) or more full time equivalent (FTE) physicians. In contrast, the Annual Physician Group Practice Filings with OHS under C.G.S. §§19a-486i(g) and (h) require filing of data when there are thirty (30) or more FTE physicians.

### **2. Align OHS and Office of Attorney General (OAG) reporting standards to streamline enforcement for non-compliance**

Members suggested that the Annual Physician Group Practice Filings should be modified to more closely track the information collected by the OAG. Collecting additional data on group practices would benefit both state regulators.

### **3. Improve recruitment of new physicians for group practices of all sizes / Increase healthy competition among group practices**

A primary concern of the Workgroup was individuals not having access to doctors for their medical needs. As people begin to live longer lives, and physicians retire and move out of State, there is a concern that the populations will be underserved. The Workgroup discussed this topic on numerous occasions. It was noted in the meetings that if there were more competition among providers of healthcare services and more choices for consumers, there could be lower overall healthcare costs in the State. Increases in competition between providers would likely drive down costs and increase access for patients.

### **4. Develop methods to assist small- to medium- sized independent group practices remain independent**

Physicians on the Workgroup who are part of small to medium sized practices, felt that it was difficult to maintain their practices with the high costs of personnel and new technology such as electronic health record systems needed to support the practice. These high costs are some of the main reasons physicians join larger health systems. Some form of assistance may help the small to medium sized group practices stay independent.

### **5. Improve transparency and oversight of the acquisition of physician practices**

Many discussions concerned the acquisition of physician practices by private equity companies, publicly-traded firms, and insurance companies. When these transactions occur there often are restrictive covenants placed on the physicians preventing them from practicing in a designated service area for a period after the transaction. There are also "stealth" consolidations, or smaller transactions that don't meet legal thresholds for reporting taking place.

More comments and recommendations provided by Workgroup members on the topics presented above can be found here: [OHS PPW webpage](#).

## Recommendations

*These recommendations are presented in no particular order; whatever is listed first under each topic is not necessarily the most important.*

### Recommendation Topic 1:

1. Standardize the reporting requirements for all physician group practices.
2. Develop and publish an annual report summarizing physician practices in CT based on data collected.
3. Change threshold for reporting of C.G.S. §19a-486i(g) to be aligned with the two (2) physician threshold for the OAG Notice of Material Change filings at §19a-486i(a)(10) to require that group practices that consist of two (2) to twenty (29) physicians also be required to file the annual group practice form.

### Recommendation Topic 2:

1. Assess standardized penalties for all entities for any non-compliance issues using OHS existing civil penalty statute §19a-653.

### Recommendation Topic 3:

1. Offer incentives such as student loan forgiveness, home buying for new physicians, etc., to encourage physicians to work in underserved areas, community-based practices, or in needed specialties (primary care, behavioral health, etc.), for a fixed period.
2. Expand programs for foreign medical graduates to establish clinical practices in CT.
3. Explore tort reform and put maximum caps on malpractice awards to lower the number of lawsuits and the cost of malpractice insurance.
4. Standardize insurance prior authorization policies and procedures for medical procedures and prescription medicines so that they are only required for certain procedures or medicines.

### Recommendation Topic 4

1. Provide assistance such as tax credits for upgrading IT networks so they are secure.
2. Have the Department of Public Health establish programs to help small and medium-sized independent physician practices recruit and retain physicians and other medical personnel, in addition to providing funding for malpractice costs, acquiring or updating EHR systems, and reducing the burden of prior authorizations for prescriptions and imaging procedures.

### Recommendation Topic 5:

1. Change restrictive covenants for physicians when physician practices are acquired particularly when there's been a change in governance structure or control of a practice or when a physician is terminated without cause.

2. Conduct a study on the corporate practice of medicine (CPM) to assess current statutes and regulations governing the CPM.
3. Apply CON regulations for physician practice acquisitions equally to private equity entities.

### **Other suggestions raised by members that didn't receive a majority vote**

**Topics #1 to #3** – There were no other suggestions.

#### **Topic #4**

1. Eliminate high deductible insurance plans, where possible, especially for individuals and small groups.
2. Eliminate co-pays or require insurance companies to collect co-pays.
3. Assign an insurance company representative to certain private practices to resolve patient and financial issues to ensure they are resolved in a timely manner.
4. Reduce consolidation of health insurance companies which reduces competition which increases costs.
5. Ask AG to do a review to prevent narrow and in-network referrals and steerage in medical groups affiliated with hospital systems.
6. Require insurance carriers to offer access to out-of-network providers at a small fee and to have access to the carrier system for prior authorization and submitting claims electronically.
7. Support an “Any Willing Provider” law requiring insurance companies to accept any qualified provider who wishes to join their panel of physicians as long as they meet training requirements.
8. Require state-mandated continuing medical education classes to be taken one time only. Also lower licensing fees.

**Topic #5** – There were no other suggestions.



**Contact Information**

**Steven Lazarus  
Steven.Lazarus@ct.gov**

**Ronald Ciesones  
Ronald.Ciesones@ct.gov**

**OFFICE OF HEALTH STRATEGY**

**450 CAPITOL AVENUE**

**MS # 51OHS**

**PO Box 340308**

**HARTFORD, CT 06134**

**(860) 418-7001**