



**Governor Ned Lamont
State of Connecticut**



FACT SHEET
2023 Legislative Session

**SENATE BILL 983
*AN ACT LIMITING ANTICOMPETITIVE HEALTH CARE PRACTICES***

Anti-competitive contract terms can impede competition, leading to higher prices. Governor Lamont proposes market reforms that inject competition, encourage innovation, and reduce costs.

The Problem

Health care costs too much – Americans collectively spend over \$400 billion a year out of their own pockets. According to the Kaiser Family Foundation, at approximately \$12,500 health spending per capita, Connecticut is one of the highest spending states in the country and spends about \$2,300 per person more than the national average.¹ We have to bring down the cost of care.

Anti-competitive contracting practices make it harder for insurers and consumers to learn about and access the highest quality, lowest cost providers. Surprise out-of-network bills also increase health care costs and have devastating financial, social, and mental consequences for patients and their families.

Governor Lamont’s Solution

The Governor’s bill prevents price gouging when patients get care from a provider who is not in their network. Specifically, the Governor proposes to limit out-of-network costs for inpatient and outpatient hospital services to 100% of the Medicare rate for the same service in the same geographic area.

The proposal will also outlaw the use of anti-competitive contracting practices which include:

- **Anti-tiering clauses:** Requiring a health plan to extend a preferred value tier status to all facilities or provider in a health system, even if certain providers do not meet cost or quality standards for that tier
- **Anti-steering clauses:** Prohibiting insurers from using incentives to steer patients to higher value providers
- **All-or-Nothing clauses:** Requiring health plans to accept all providers in a healthcare system or none of them

¹ [Health Care Expenditures per Capita by State of Residence | KFF](#)

Contacts:

Governor’s Office: Matthew Brokman, 860-951-9619 or matthew.brokman@ct.gov
Office of Policy and Management: Susan Sherman, 860-416-2008 or susan.b.sherman@ct.gov
State Capitol, Room 406

- **Gag clauses:** Preventing parties from disclosing relevant information, including price or terms of an agreement to a third party

These anticompetitive practices have been used by health systems to impede competition and increase prices. The Governor's proposal will provide health insurers with additional bargaining power to make it easier to negotiate affordable prices for consumers.