

# Spotlight on State: Connecticut

*This is part of a [series of summaries](#) that highlight notable legislation and initiatives in health policy and reform of all 50 states. Check back on The Source as we roll out additional states each week.*

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Connecticut is a state to watch on healthcare cost, transparency, and competition. Connecticut's legislature passed a statute in 2012 establishing an All-Payer Claims Database Program in the state. Connecticut's APCD, [Healthscore CT](#), contains information about the quality, price and cost of health services in the state to allow healthcare consumers to compare cost and quality information among different coverage options. Healthcare consumers in Connecticut also have comprehensive statutory protection from surprise and balance medical bills for both emergency and non-emergency services. In 2019, the Connecticut legislature passed a shared savings pilot incentive program for nonprofit providers that allows providers who otherwise meet contractual requirements to retain a percentage of any savings realized from the contracted cost for services. The program then requires providers to use at least 50% of such savings to expand the provider's services.

In other price transparency efforts, Connecticut law limits gag clauses in healthcare contracts to promote competition and price transparency. Contracts entered between a healthcare provider and a health carrier are prohibited from containing a provision restricting disclosure of billed or allowed amounts, or reimbursement rates or out-of-pocket costs. Contracts between a managed care organization and a participating provider are also prohibited from containing gag clauses that

prevent the provider from discussing with enrollees any treatment options and services available in and out-of-network.

On the prescription drug price transparency front, the Connecticut legislature passed legislation that requires pharmaceutical companies to disclose and explain prescription drug price hikes. Drug makers must justify any pharmaceutical price that jumps 20 percent or more during a calendar year, insurers must report large drug cost increases when filing rate requests, and PBMs must report how much they collect in rebates and how much they keep.

Besides price transparency, Connecticut has a combination of strong statutory mandate and strong enforcement in healthcare market competition. [The Connecticut Antitrust Act](#) contains provisions under which (often in addition to federal statutes) the state or private persons may bring claims. State law also restricts most favored nation clauses in provider contracts and limits covenants not to compete in physician contracts. In provider market regulation, Connecticut has one of the nation's most robust merger review statutes, granting the state strong review and approval authority over all hospital transactions. Prior notice must be provided to the state's certificate of need agency for any provider and provider organization transaction, while notice to the state attorney general is required for any group practice and hospital transaction. In addition to pre-merger notice, the state requires review and approval of all hospital transactions based on factors that take into consideration competition and antitrust implications. As a result, Connecticut's attorney general has been active in promoting greater enforcement and review of provider consolidation. Notably, many of the cases were independently brought by the state AG without enforcement action from federal agencies. For example, the AG challenged and imposed conditions on a pair of acquisitions by Prospect Medical Holdings. The proposed merger of Waterbury Hospital

and Vanguard (Tenet) was also abandoned after state entities including the AG imposed a total of 68 conditions on the for-profit joint venture.

In the insurance market, Connecticut runs a state-based exchange called Access Health CT. Connecticut statute provides coverage parity for telehealth services, requiring that individual and group health insurance policies provide coverage for medical advice, diagnosis, care or treatment through telehealth to the same extent that coverage is provided in-person. The Connecticut legislature has also attempted to introduce single payer and public option initiatives as broader health system reform efforts.