



**TESTIMONY OF  
FRANK J. KELLY  
PRESIDENT and CEO, Danbury Hospital**

**HUMAN SERVICES COMMITTEE  
Tuesday, March 13, 2007**

**SB 1383, An Act Concerning Medicaid Modernization**

On behalf of The Danbury Hospital, I appreciate the opportunity to submit written testimony in support of **SB 1383, An Act Concerning Medicaid Modernization.**

First, I'd like to commend the Program Review and Investigations Committee for the quality summary and presentation in the report "The Funding of Hospital Care. The report is thorough and gives credibility to the discussion to increase funding to CT Hospitals that is long overdue.

The critical key points raised in the December 2006 report; that our current Medicaid/SAGA rate-setting system is broken, that the current funding levels are inadequate and that increases are necessary now and regularly in the future, validate the argument for rate increases. The past failure to maintain rates with regular increases has brought us to the dire situation CT Hospital's are in today.

During the past twenty-five years, the combination of freezes, cuts, and repeals of future promises has driven CT Hospital's to the point where we are losing \$250 million per year. Current Medicaid reimbursements to Danbury Hospital do not cover even direct costs of services provided. It is our patients and our greater community that suffer from this long-time practice.

In 2006 alone, this meant uncompensated care to patients by our Hospital amounting to \$20 million dollars. This takes resources away from staffing, technological advances and other initiatives. Further, Danbury Hospital has seen a noticeable increase in patients coming to us from outside our service area because other Hospital's are unable or unwilling to provide care for these patients.

I urge you to strongly consider testimony from the CT Hospital Association and continue to play a role in investing in health care for CT residents by endorsing the recommendations as outlined in the report and adequately reimbursing Danbury Hospital and all CT Hospital's at 100% of cost of care.