

**TESTIMONY OF
R. Christopher Hartley
Senior Vice President
Saint Francis Hospital and Medical Center
BEFORE THE
HUMAN SERVICES COMMITTEE
Tuesday, March 13, 2007**

SB 1383, An Act Concerning Medicaid Modernization

My name is Christopher Hartley and I am Senior Vice President at Saint Francis Hospital and Medical Center. I am pleased to have another opportunity to testify for my institution regarding **SB 1383, An Act Concerning Medicaid Modernization**.

Saint Francis Hospital and Medical Center is a tertiary, acute care, teaching hospital serving residents of the Greater Hartford region. In FY2006, Saint Francis provided inpatient services to over 31,000 patients, delivered over 3,000 babies, treated 82,000 plus outpatients in our clinics, and cared for in excess of 62,000 patients in our Emergency Department. Saint Francis is the primary hospital for over 600 active private and full-time physicians, has over 4,000 employees and trains over 2,100 residents, interns, nurses and allied health students annually.

In FY2006, Saint Francis treated over 6,200 Medicaid and State Administered General Assistance (SAGA) recipients on an inpatient basis and provided 102,178 outpatient visits to clients from one of these three insurance programs. The losses Saint Francis incurred providing these inpatient and outpatient services exceeded \$28 million. In addition to the \$28 million dollars Saint Francis lost serving its Medicaid and SAGA populations, Saint Francis delivered over \$9 million in free care to those without any insurance at all.

Saint Francis has had a great deal of experience dealing with the Medicaid and SAGA programs and we believe the current system is broken. In point of fact, the Medicaid and SAGA losses we are presently experiencing are simply unsustainable by Saint Francis on a go forward basis.

We believe the excellent report issued on 12/18/06 by the Legislative Program Review and Investigation Committee entitled "Concerning the Funding of Hospital Care" contains great detail on the failings of the current Medicaid and SAGA programs to provide adequate reimbursement for the care each hospital provides to Connecticut's poorest citizens. In fact, the current difference between institutional costs and state under-funding exceeds \$250 million annually.

What Should Be Done

Hospitals must be paid what it costs to serve individuals enrolled in state sponsored insurance programs just as private insurers and Medicare pay for the cost of the services they purchase from hospitals.

Remember, the last time the state calibrated its Medicaid and SAGA rates equal to the cost of hospital care was over 25 years ago. SB1383 addresses this long over due calibration by requiring the state to recalibrate Medicaid and SAGA rates to levels equal to hospital costs.

In Connecticut, we are fortunate to have a health care system whose quality is second to none. In fact, the types and breadth of health care services available in Connecticut can be used as a real competitive advantage for the state. However, this high quality health care system can only be preserved if we pay hospitals what it costs these institutions to provide the services all Connecticut residents deserve and have come to expect.

Please adopt SB 1383.