



**Testimony of the Connecticut Children's Medical Center
to the Human Services Committee regarding
SB 1383 An Act Concerning Medicaid Modernization
March 13, 2007**

The Connecticut Children's Medical Center (CCMC) is pleased to have the opportunity to submit testimony regarding **SB 1383 An Act Concerning Medicaid Modernization**.

All children should have the health care they need to grow and learn. The children of Connecticut deserve a health care system that both provides them with coverage and enables them to access high quality health care services. It is critically important for the State to provide coverage for uninsured children, but the coverage will not help them if providers cannot afford to treat them. The State must pay safety net providers like CCMC adequately in order to ensure access to care.

CCMC offers the full spectrum of pediatric care to children from each of Connecticut's 169 cities and towns. Each year, CCMC provides:

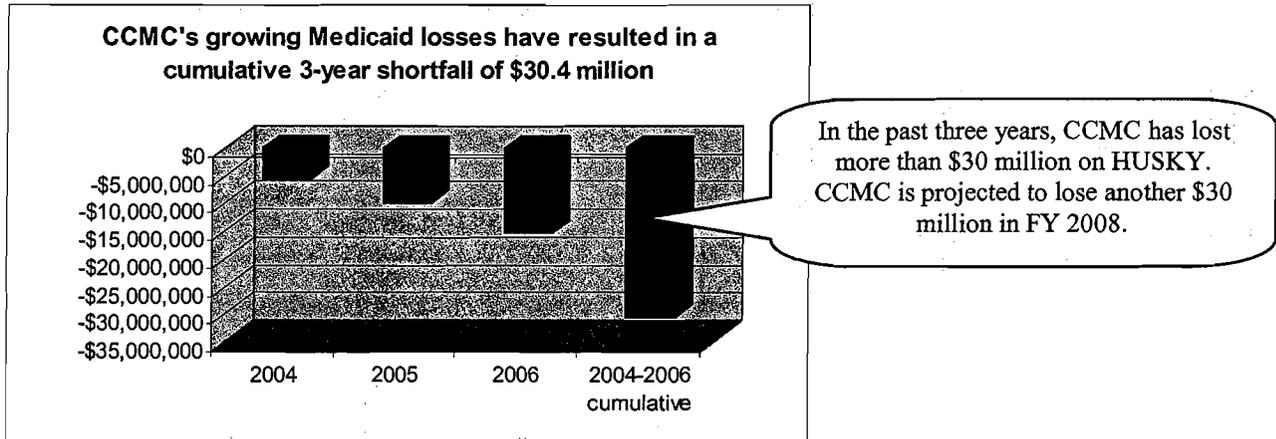
- 30,000 primary care visits (78% for HUSKY kids)
- 41,000 emergency care visits (62% for HUSKY kids)
- 89,000 physician specialty care visits (40% for HUSKY kids)
- 32,000 inpatient hospital days (43% for HUSKY kids)
- 7,500 surgical procedures (35% for HUSKY kids)

CCMC is a vital resource for children and families across the state. We are the only independent children's hospital in Connecticut and we are the Pediatric Department for the State's medical school. We have trained over 150 new pediatricians in the past 10 years and 66 of these are currently practicing in Connecticut. We develop pioneering treatment programs for asthma, diabetes, cancer, pain management and other major concerns of childhood. Our 10 hospital affiliation agreements and 13 satellite clinics are improving the quality of pediatric care throughout the state for all of Connecticut's children.

As our state's only independent children's hospital, CCMC is successfully fulfilling its mission to provide specialized pediatric care for children throughout Connecticut. However, the HUSKY Program, which covers nearly half of the children we care for, is seriously flawed, if not broken. Without significant changes to HUSKY's reimbursement rates, CCMC will lose \$30 million in Fiscal Year 2008 caring for HUSKY children. CCMC cannot survive for the long term unless this financial situation is corrected.

Connecticut's HUSKY program has been very successful in providing coverage to vulnerable children with about 30% of all children enrolled in the program.

Unfortunately, HUSKY reimbursement rates are very inadequate. This combination of high enrollment for children and low reimbursement puts an undue burden on Connecticut's pediatric providers. By paying providers what it costs to care for patients covered by HUSKY, **SB 1383** would protect access to pediatric health care services for all children, HUSKY or not.



CCMC's current and growing Medicaid shortfall threatens our long-term financial solvency. The cumulative losses noted in the chart above and the potential for continued losses in the future diminish our ability to meet the needs of all of Connecticut's kids, HUSKY or not. This ongoing loss trend reduces our ability to make needed capital investments and impairs our ability to recruit and retain exemplary staff.

CCMC's ongoing efforts to cut costs and maximize other revenue cannot solve the problem. We are one of the least expensive children's hospitals in the country and our operating expenses per staffed bed are 20% lower than that of the average independent children's hospital.

The State can eliminate this loss and create a more secure future by providing an increase in our Medicaid inpatient reimbursement rates, providing an increase in our Medicaid physician reimbursement rates, and/or increasing the level of our supplemental payment. In any event, a long-term solution is required. The State must fix the HUSKY reimbursement structure in order to preserve access to health care services for Connecticut's kids.