

Yale-New Haven Hospital
Written Testimony Submitted to the Judiciary Committee
March 14, 2007

HB 7328, An Act concerning the Enforcement of the Charitable Purposes of Nonprofit Hospitals
HB 7363, An Act Increasing Public Oversight of Hospitals Receiving Large Amounts of Public Funds

We appreciate the opportunity to provide written testimony related to two specific bills raised in the Judiciary Committee. These bills are HB 7328, An Act concerning the Enforcement of the Charitable Purposes of Nonprofit Hospitals, and HB 7363, An Act Increasing Public Oversight of Hospitals Receiving Large Amounts of Public Funds respectively.

Both pieces of legislation, proposed by the Service Employees International Union/1199, seek to create new and different standards for hospitals who receive more than \$50 million in Medicaid reimbursement from the State of Connecticut. This standard appears to only apply to Yale-New Haven Hospital.

Such targeted legislation serves no apparent public purpose other than to create a punitive threshold for Yale-New Haven Hospital as it continues to address labor relations matters regarding the SEIU/1199 organizing campaign. These bills do nothing to enhance the safety and quality of patient care. They will provide no new hospital resources. They do nothing to address staffing shortages being experienced by many hospitals. These bills will not advance treatment for diseases that impact thousands of Connecticut residents, such as cancer.

These bills will not provide jobs or advance the economy. In fact, they may do the opposite. These proposals serve only to fulfill a hard-driven political agenda of one particular labor union. Both of these initiatives set a dangerous public policy precedent and would create more administrative reporting burdens with no clear value. We urge this Committee to deny these bills.

HB 7328 would subject Yale-New Haven to broader review by the Connecticut Attorney General than would apply to other hospitals in the State. By far, Yale-New Haven is the largest provider of free and under-reimbursed care in the State, and its record of support to patients needing financial assistance is strong. Three years ago, Yale-New Haven Hospital instituted a financial assistance program that provides free care to any patient with a family income of up to 250 percent of the federal poverty level. In addition, the Hospital provides discounted care to those with family incomes of between 250 and 400 percent of the federal poverty level – or more than \$75,000 per year for a family of four. The Hospital's commitment to these issues is so clear that more than a year ago Yale-New Haven cancelled nearly 18,000 outstanding bills owed to the Hospital by its patients. Yale-New Haven's policies and practices serve as a benchmark regionally and nationally.

HB 7363 creates an even more burdensome requirement targeting only YNHH. If passed, the bill would require significant new financial reporting requirements. All Connecticut hospitals currently report broad financial data to the Office of Health Care Access. It isn't clear why one hospital should be subjected to greater reporting requirements, except as a penalty imposed on behalf of one special interest group.

(over)

The Hospital would not need to report this information if it reconstituted its Board of Trustees, to include two appointees from the Mayor of New Haven, one appointee from the Governor, one appointee from the State Senate and one appointee from the State House of Representatives.

Given the complexity of today's healthcare environment, trustees need to be selected based on skill, ability and their potential contribution to the oversight of the Hospital. While the YNHH Bylaws stipulate that those nominated to be Hospital trustees shall reflect as much as possible a cross section of major segments of the communities served by the Hospital, Board members need to be appointed because of their breadth of experience, their commitment to the community and their ability to keep the overall good of the Hospital in mind, rather than to represent a particular constituency

Consider the opinion of two independent sources:

A February 27, 2007 *Hartford Courant* editorial states: "So, a great private hospital will be made even better by requiring that five political appointees be put on its board of trustees? Impossible."

The *Courant* further states: "Lawmakers who support these two bad bills put the interests of a powerful union ahead of the interests of sick people."

The *New Haven Register* pointed out in its own editorial opposing these bills: "If the legislation were needed and fair, it should apply to all hospitals, not just Yale-New Haven."

Today, Yale-New Haven Hospital serves more patients than any other hospital in the State. In fact, it serves the highest percentage and largest number of Medicaid patients – nearly one out of every four patients it cares for. Ironically, the very standard being used by these proposed bills, Medicaid reimbursement levels, are so low that YNHH receives only 62 cents on every dollar of its costs.

Yet, Yale-New Haven continues to provide a critical service to its patients and its community. It has been recognized as one of the best employers in the nation by AARP, *Working Mother Magazine*, *Essence*, *Family Digest* and the National Association of Female Executives. In addition, the Hospital has received the prestigious EVE Award from the United States Department of Labor for its voluntary diversity programs.

Yale-New Haven spends millions of dollars in the community every year supporting initiatives as wide ranging as affordable housing, youth programs, daycare, job training, scholarships, schools and libraries. When asked to support the city of New Haven during difficult financial times, YNHH stepped up and agreed to make voluntary payments of \$1.2 million per year – even making those payments early when the city needed the financial support. Yale-New Haven's track record in the community is unparalleled in Connecticut and its mission to serve the community is clear.

Despite this unquestioned record of positive contributions to patients and the larger Yale-New Haven community, the SEIU and its political allies are using this legislative process to single out and punish the hospital to advance their own political and economic agenda. Because these proposals serve no legitimate public policy objective, we urge the committee to reject them.

Thank you for the opportunity to express our views on these important matters.