MIDDLESEX
HOSPITAL

WRITTEN TESTIMONY OF
MIDDLESEX HOSPTAL
BEFORE THE PUBLIC HEALTH COMMITTEE

Wednesday, January 31, 2007

SB 1, An Act Increasing Access To Affordable, Quality Health Care
HB6332, An Act Increasing Access To Health Care

The Connecticut Hospital Association (CHA) in testimony before this Committee outlines the commitment of Connecticut hospitals to supporting initiatives that improve access to health insurance coverage for Connecticut residents and reduce the number of uninsured. We echo their comments about the importance to adequately finance the current healthcare system that provides services to the indigent, uninsured and underinsured before more entitlements are considered. This would include full Medicaid cost reimbursement to hospitals. With your indulgence, we would put that in context for one medium-sized hospital – Middlesex Hospital, Middletown, Connecticut.

The aggregate annual burden absorbed by Middlesex for providing care to individuals eligible for state assistance is annually some $6.8 million. This shortfall though it represents only a small fraction of the Middlesex total operation budget, is equal to some 80% of Middlesex's 2006 income from operations.

Improvement in its income from operations will help to improve Middlesex's bond ratings which benefits Middlesex with lower interest expense through refinancing existing debt and allows Middlesex to borrow at reasonable rates for projects such as the expansion and upgrade of the emergency department facility on its main campus currently in process (a $31 million dollar project). Income from operations also helps Middlesex pay for keeping up with technological changes in diagnostic and treatment modalities which, as we are sure you are familiar, is ongoing and accelerating as well as information technology, such as the electronic medical record, the cost of which will outpace any efficiencies gained through its use. While Middlesex already invests a great deal in community health improvement, additional income from operations would provide seed money to further refine our understanding of community health needs and allow us to fund additional or better focused programs to lessen those needs and monitor the results to expand the outreach of Middlesex's expansive and already successful community benefit initiatives.

Please consider these benefits associated with reducing the under funding burden placed on Middlesex Hospital as you deliberate these proposals to expand access to health insurance coverage.