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TESTIMONY SUBMITTED BY
BRIDGEPORT HOSPITAL
TO THE
HUMAN SERVICES COMMITTEE
March 4, 2008

SB 560, An Act Concerning Fair and Adequate Hospital Reimbursement

On behalf of Bridgeport Hospital, thank you for providing an opportunity to submit testimony regarding SB 560 An Act Concerning Fair and Adequate Hospital Reimbursement. We strongly support this bill.

Bridgeport Hospital is a 450 bed teaching hospital that strives to be both a provider and employer of choice that delivers safe, high quality care. We serve residents from the City of Bridgeport and the surrounding towns, and are the health care safety net for many patients. Last year, we provided more than 200,000 outpatient and emergency room visits and almost 20,000 inpatient stays.

Our Hospital is an economic bedrock and engine in our community. We are a major employer, offering 1,900 jobs at all skill and salary levels in a growing employment sector. The purchases we make as a business provide important secondary income and job benefits to the local economy. We serve as a magnet for other healthcare business and serve as a stimulus for new businesses. In total, Bridgeport Hospital had a direct economic impact on our community of more than \$475,571,000 during 2006 (source: CHA analysis)

Last year, significant legislation was passed that began to address the under-funding of Medicaid and SAGA. We greatly appreciate the significant increases to the Medicaid program that were made last year through this legislation. However, as the cost of care continues to increase, our Medicaid reimbursement does not equal the cost of the care we provide. We are currently only paid 70.5 cents for every dollar of cost to care for Medicaid/SAGA patients.

Bridgeport Hospital serves a significant number of Medicaid/SAGA patients. In Fiscal Year 2007, Bridgeport Hospital provided over 28,000 Medicaid/SAGA inpatient and outpatient visits. Twenty-four percent of our inpatient discharges are Medicaid/SAGA. In FY 2007, our overall loss for Medicaid and SAGA, due to this underpayment, was \$12 million. According to Connecticut Hospital Association data, statewide Medicaid/SAGA losses for all hospitals totaled nearly \$250 million.

Over the years, we have had to use our operating dollars to cover these underpayments from Medicaid, which has left us less money to reinvest in our organization. Without money to reinvest, our facilities have become outdated, and we have had to delay implementation of key programs that can improve the quality of care for our patients.

Currently, Bridgeport Hospital has an aging facility infrastructure that needs major reinvestment to keep the building running efficiently. This year, we are replacing air handling systems and a heating and cooling system in one of our patient care towers. Over the next few years, we need to upgrade our HVAC and electrical systems, our elevators, and reface our buildings. These projects have been delayed over the years due to lack of available resources. In addition, to meet the increasing demands of our patients, we need to modernize and update our patient care rooms. The lack of adequate funding for Medicaid has slowed our ability to invest in these basic infrastructure upgrades that will benefit our patients, physicians and staff.

To provide a safe environment, we also need to invest in Electronic Medical Records and other clinical information systems that will reduce medical errors and improve care for our patients. These systems will enhance patient safety and quality, and we want to implement them as quickly as we can. However, it costs millions of dollars to do so. While we have started to make these investments, we are doing them over the course of several years, as we have the funding available. The inadequate reimbursement from Medicaid, which we are forced to cover through other operating revenues, is the largest part of the issue.

Bridgeport Hospital is a valuable asset to the greater Bridgeport region and the State. We train hundreds physicians and nurses, have the only burn service for the State of Connecticut, are a recognized leader in cardiac care, and have the only Pediatric Intensive Care Unit in Fairfield County. We take our mission seriously and are proud to be the safety net provider for the community. However, we need to be paid fairly so we can continue to maintain our infrastructure, invest in necessary technology and offer all the services that are needed by our patients. Hospitals need to be paid what it costs to care for the people enrolled in state programs.

Thank you for your consideration of this important health matter.