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**Testimony Submitted by Yale-New Haven Hospital
to the Human Services Committee
March 4, 2008**

SB 560 An Act Concerning Fair and Adequate Hospital Reimbursement

On behalf of Yale-New Haven 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.

One of two academic medical centers in the State, Yale-New Haven Hospital (YNHH) is a 944-bed tertiary referral center which includes the 201-bed Yale-New Haven Children's Hospital and the 76-bed Yale-New Haven Psychiatric Hospital. The recently-approved Smilow Cancer Hospital@ Yale-New Haven is under construction and is scheduled to open next year to help meet the increasing demand for oncology services. As the primary teaching hospital for Yale University School of Medicine (YSM), Yale-New Haven's medical staff is enhanced by 618 supervised residents who add around-the-clock coverage, making YNHH the largest teaching hospital in Connecticut. Yale-New Haven Hospital operates three emergency departments (adult, children's and a Shoreline emergency department in Guilford). And, with over 100,000 visits in 2007, YNHH remains the State's **largest emergency service provider** and the **only Level One trauma service provider for children and adults**. Yale-New Haven Hospital's full range of health care services is available 24 hours a day, 365 days a year.

We appreciated the significant increases to the Medicaid program that were made last year by the Legislature. Though as cost of care continues to increase, our Medicaid reimbursement does not equal the cost of the care we provide. Yale-New Haven continues to serve the most Medicaid patients in the State of Connecticut. YNHH also has the largest penetration of Medicaid discharges as a percentage of its total at 25%. Additionally, like the Connecticut Children's Medical Center, over 40% of the children admitted to Yale-New Haven Children's Hospital are insured by the Medicaid program. **YNHH's Medicaid under reimbursement was \$54 million in FY 2005, increased to over \$70 million in FY 2006.**

While we work hard to deliver high quality care in a safe and cost effective manner, we remain a teaching hospital. As such, more tests are ordered, medical exams will take longer and our costs will be higher than hospitals without a teaching mission or with smaller programs. Like UCONN, we are the region's largest provider of dental and emergency dental services. In 2005, we opened the Pediatric Dental Center to serve a growing number of children who had no other source for dental care. (In 2007, we had over 7000 children's dental visits covered by Medicaid.) We must be reimbursed adequately for the services we provide if we are to continue to be able to invest in the health of the community and meet the increasing needs of the general population.

Yale-New Haven has exhibited healthy financial performance during a time when many hospitals have struggled. In the past, our positive margins have enabled us to continue to maintain facilities, equipment and support for employees to improve our services and our working environment. Millions have been invested in patient safety initiatives. Successful financial performance has allowed us to move forward with construction of a comprehensive cancer hospital, the only such facility in New England, without requesting any state, federal or local financial assistance.

Yale-New Haven Hospital has invested its positive margins in many aspects that benefit the community. Some of these include:

- A Children's Hospital which is the State's **largest** provider of care to children, and the only provider of Bone Marrow and Liver transplant for children.
- A comprehensive Cancer Hospital that will offer care regardless of a patient's ability to pay for it.
- A pediatric dental clinic that serves thousands of children, many of whom have special health care needs and no where else to go, and trains tomorrow's dentists.
- The State's **only** Level One adult and children's trauma service available 24 hours a day and seven days a week.
- A community investment program that includes a partnership with Gateway Community College to financially support its RN program.

Looking ahead, as patient demands increase and government reimbursement continues to lag behind cost, our ability to remain among the nation's 'best' hospitals and our community's employer and provider of choice will be compromised. Yale-New Haven is more than a community hospital. Last year, the Legislature took a step to begin to address the State's historical Medicaid under funding. We urge your support of SB 560 which seeks to cover the costs we incur today, so that we may continue to provide safe and high quality care to patients in our community and beyond. Hospitals need to be paid what it costs to care for the people enrolled in state programs. Full Medicaid cost reimbursement is required to ensure not just coverage, but access, to high quality health care for the people of Connecticut.

Thank you for your consideration of this important health matter.