



Saint Raphael Healthcare System

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**TESTIMONY BY
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**HUMAN SERVICES COMMITTEE
Tuesday, March 4, 2008**

**RE: S.B. 560, AAC FAIR AND ADEQUATE HOSPITAL REIMBURSEMENT,
S.B. 564, AAC SERVICES FOR PERSONS WITH MENTAL HEALTH NEEDS**

The Hospital of Saint Raphael supports Senate Bill 560, An Act Concerning Fair and Adequate Hospital Reimbursement and Senate Bill 564, An Act Concerning Services for Persons with Mental Health Needs.

Thanks to the legislature and the executive branch last year, a historic hospital Medicaid rate increase was passed. The Hospital of Saint Raphael (HSR) is grateful to you for passing the Medicaid increase. A year ago, we told you that the HSR received about 68 cents for every \$1 we spend to provide care to Medicaid patients. As a result of last year's increase, we expect to receive about 81 cents for every \$1 of inpatient care provided. While an improvement, we are still not reimbursed the full cost of care provided which means we continue to be at financial risk. However, we are pleased that bills have been raised to further address the payment shortfall issues.

My testimony today in support of Senate Bill 560, An Act Concerning Fair and Adequate Hospital Reimbursement and Senate Bill 564, An Act Concerning Services for Persons with Mental Health Needs reinforces the need for full-cost Medicaid and S.A.G.A. reimbursement.

The Hospital of Saint Raphael (HSR), like many hospitals throughout the state, serves as a "healthcare safety net" for thousands of Medicaid and S.A.G.A. patients each year. We provide healthcare access to Connecticut's residents, not only through our inpatient services, but through our emergency departments, outpatient clinics, and outreach programs. Despite the negative financial margin the HSR faces to provide this "healthcare safety net," we care for the disadvantaged and poorest of the poor. While it is our mission and responsibility to care for all regardless of ability to pay, the HSR cannot continue to absorb and sustain the losses we face for providing care to Medicaid and S.A.G.A. patients. In fiscal year 2007, the Medicaid and S.A.G.A. shortfall at the HSR totaled \$25.8 million. The \$3.8 million inpatient increase and approximately \$350,000 outpatient increase that the HSR will receive, as a result last year's legislation, will help.

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Unfortunately, it is not enough to close the gap nor does it fully reimburse the Hospital for the care we provide to Medicaid and S.A.G.A. patients.

Senate Bill 560 calls for 100 percent cost reimbursement for the Medicaid fee-for-service and managed care plans and 100 percent cost reimbursement for outpatient clinic services and emergency room visits. Senate Bill 564 calls for 100 percent cost reimbursement for hospital inpatient and outpatient mental health services as well as providing grants to providers to increase services to patients with psychiatric disabilities or mental health needs -- this bill will not only increase access to mental health services for adults and children but should also help alleviate some of the overcrowding in hospitals' emergency departments.

We applaud the Human Services Committee for raising Senate Bill 560, An Act Concerning Fair and Adequate Hospital Reimbursement and Senate Bill 564, An Act Concerning Services for Persons With Mental Health Needs and urge passage of both bills.