

**WRITTEN TESTIMONY OF
DAVID W. BENFER
PRESIDENT & CHIEF EXECUTIVE OFFICER
HOSPITAL OF SAINT RAPHAEL**

**PUBLIC HEALTH COMMITTEE
Monday, March 3, 2008**

**RE: H.B. 5038, AN ACT IMPLEMENTING THE RECOMMENDATIONS OF
THE HOSPITAL TASK FORCE**

The Hospital of Saint Raphael (HSR) supports many of the provisions included in House Bill 5038, An Act Implementing the Recommendations of the Hospital Task Force, including the identification of emergency departments that provide a large number of behavioral health services and the development of recommendations and services to reduce emergency department demand for behavioral health services.

The HSR would welcome the opportunity to work with the Department of Mental Health and Addiction Services (DMHAS), the Department of Children and Families (DCF), and the Department of Social Services (DSS) to assess the capacity in our region for inpatient, outpatient, and community mental health services and help identify effective and feasible models of care to both expand access to behavioral health services and reduce the demand for these services in our emergency department. We agree with the State and with other hospitals that our common goal is to reduce the length of stay in hospital emergency departments and to provide the most appropriate level of mental health care in the most appropriate setting. Providing mental health services in hospital emergency departments may, at times, be necessary. Often, however, our emergency departments are turned to as a "safety net" and as a last resort, especially for patients with Medicaid or S.A.G.A. coverage or who may be uninsured. As the legislature knows well, providing mental health services in the emergency department is the most expensive setting, and it may not be the most efficient or most dignified way of providing mental health services.

Despite the fact that in recent years, the HSR has expanded both our children's inpatient psychiatric unit (with the legislature's help) and the Partial Hospital Programs (PHPs) for children and adolescents as well as caring for hundreds of patients in our mental health and substance abuse clinics, we continue to face challenges when trying to find adequate mental health and substance abuse services for children and adults. We support the sections in Senate Bill 5038 that would allow for innovative solutions to address the behavioral health capacity issues in specific communities or regions.

Saint Raphael's also supports the Department of Public Health's development of a multiyear state health plan that evaluates the health of Connecticut's population, the availability of healthcare facilities, unmet healthcare needs of persons at risk and vulnerable populations, and the future of the healthcare workforce. We also support the development of a state-wide healthcare facilities plan by the OHCA and a mental health and substance abuse services plan by the DMHAS, especially the identification of geographic areas or populations that may be underserved or have reduced access to specific types of behavioral healthcare services.

We also support Section 9 of the Senate Bill 5038 that brings together the Commissioners of Public Health, Higher Education, and Labor and the director of the Office of Workforce Competitiveness to collaboratively work on efforts to increase the training, recruitment and retention of the healthcare workforce.

Saint Raphael's also supports many of the Hospital Task Force's recommendations that are not part of Senate Bill 5038 and urges the Public Health Committee to include the following items from the Task Force's Final Report:

1. Increase hospital reimbursement for services provided to Medicaid and S.A.G.A. patients. The historic \$118 million Medicaid increase passed by the legislature and the executive branch last year significantly helped hospitals to begin to close the gap between the cost of services provided and the reimbursement levels. A year ago, 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 a significant improvement, we are still not reimbursed the full cost of care provided which means we continue to be at financial risk. The Medicaid/S.A.G.A. shortfall at the HSR for fiscal year 2007 was \$25.8 million.
2. Conduct a study of hospital reimbursement systems for the Medicaid and S.A.G.A. programs. We fully support this provision which we hope will result in parity among similar healthcare providers. Currently, hospitals that provide the same services in the same region (urban, suburban, or rural regions) are not paid the same amount for care provided. The current, but outdated, Medicaid and S.A.G.A. payment system need to be studied in detail and changes need to be made that will result in parity among similar providers.
3. Establish a Connecticut Health and Educational Facilities Authority (CHEFA) program to provide proceeds from revenue bonds to hospitals in the form of grants, forgivable loans and low-interest loans for investment in hospital facilities and equipment. The revenue bonds would be issued by CHEFA and the debt service paid by the State.

The HSR was a recipient of \$3.4 million from the Hospital Hardship Fund which enabled us to purchase a 64-Slice CT Scanner and other medical equipment, such as heart/lung machines and ultrasound equipment. We are grateful for this allocation and hope that the usefulness of the Hardship Funds will set a good example and lay the groundwork for a CHEFA revenue-bond program, as recommended in the Governor's Task Force final report. Our capital needs are quite extensive, and over the years, the Medicaid and S.A.G.A. shortfall has caused an inability to invest in our infrastructure, refurbish facilities, replace boilers, and purchase leading edge medical technology. We cannot continue to postpone the investment into our aging facilities.

We urge the Public Health Committee to pass important provisions of House Bill #5038, including:

- the identification of emergency departments that provide a large number of behavioral health services and the development of recommendations and services to reduce emergency department demand for behavioral health services,
- the development of a multiyear state health plan, statewide healthcare facilities plan, and mental health and substance abuse services plan,
- collaboration among the departments of Public Health, Higher Education, Labor, and Workforce Competitiveness to increase training, recruitment and retention of the healthcare workforce.

Additionally, please consider adding recommendations from the Hospital Task Force final report that are not currently in House Bill 5038, including:

- increasing hospital reimbursement for services provided to Medicaid and S.A.G.A. patients,
- conduct a study of hospital reimbursement systems for the Medicaid and S.A.G.A. programs which will result in parity among similar hospital providers.
- Establish a CHEFA program to provide proceeds from revenue bonds to hospitals in the forms of grants, forgivable loans and low-interest loans for reinvestment in hospital facilities and equipment.

Thank you for your consideration.