

**TESTIMONY OF
LAURENCE A. TANNER
PRESIDENT AND CHIEF EXECUTIVE OFFICER
THE HOSPITAL OF CENTRAL CONNECTICUT
BEFORE THE
APPROPRIATIONS COMMITTEE
Wednesday, February 18, 2009**

**HB 6365, An Act Concerning The State Budget For The Biennium Ending June 30, 2011,
And Making Appropriations Therefor**

As President and Chief Executive Officer of **THE HOSPITAL OF CENTRAL CONNECTICUT**, I am pleased to have the opportunity to provide testimony today on **HB 6365, An Act Concerning The State Budget For The Biennium Ending June 30, 2011, And Making Appropriations Therefor**.

THE HOSPITAL OF CENTRAL CONNECTICUT is open to all, regardless of ability to pay, twenty-four hours per day, seven days per week, all year long. We provide almost 90,000 inpatient days and see over 16,000 patients in our outpatient clinics annually. We have over 95,000 visits to our emergency room. Unfortunately, the ability of our hospital to meet the healthcare needs of our community is being severely stressed by the current economic crisis. Every day the economy worsens and the number of uninsured and those enrolling in Medicaid and SAGA grows.

THE HOSPITAL OF CENTRAL CONNECTICUT knows all too well how difficult it is to operate in this economic environment and make hard choices between competing priorities. We sincerely thank Governor Rell for submitting a budget proposal that maintains the Medicaid provider rate increases enacted in 2007 as well as preserves the Uncompensated Care and Urban DSH Pools.

However, HB 6365 also proposes Medicaid cuts totaling \$81.6 million in 2010 and \$89.7 million in 2011. Each of these reductions will have a negative impact upon our hospital, and make it more difficult for people to find care in the appropriate setting and enroll and remain in Medicaid. In these difficult economic times, it is more important than ever that the state is steadfast in its commitment to help those who cannot help themselves.

Our hospital loses more than \$8 million annually on the care we provide to Medicaid recipients. What is even more alarming is the rate at which our Medicaid volume is growing. We have seen an increase of over 60% in the sheer volume of Medicaid discharges between 2001 and 2007. Also, the proportion of Medicaid visits to overall patient visits continues to increase year after year. Between 2001 and 2007, our Medicaid percentage of inpatient discharges increased from 15% to over 20%. In the emergency room, Medicaid grew from 29% to almost 40% of our total visits during the same time period. The combination of the increase in Medicaid volume with the financial loss relative to the cost of providing these services makes increasing the overall funding for this program imperative.

With Congress poised to deliver unprecedented Medicaid relief to Connecticut, the state has the opportunity to maintain eligibility and coverage, make another down payment on bringing provider rates closer to covering the cost of care, and at the same time contribute significantly to balancing the state budget. It makes no sense to cut Medicaid and refuse this federal lifeline.

Please reject these proposed cuts, move SAGA into Medicaid via the SAGA waiver, and provide some desperately needed rate relief to providers.

Thank you for your consideration of our position.