



December 9, 2009
 Written Testimony of Chad W. Wable, FACHE
 President and Chief Executive Officer of Saint Mary's Hospital

Re: Deficit Mitigation Plan

Members of Appropriations Committee:

I am writing in response to the Governor's proposed Deficit Mitigation Plan. I certainly appreciate the very difficult challenge that legislature and the Governor face in grappling with the deficit, but respectfully suggest that cutting hospital funding is *not* the way to address this problem.

It is important to note that many of the proposed cuts will impact Connecticut's most needy citizens. Saint Mary's Hospital in particular is acutely aware of the ever growing needs of the Medicaid population. For more than 100 years we have served the Greater Waterbury community, including those who have little or not ability to pay. In fact, Saint Mary's has continued to assume an enormous financial burden as we stay true to our Mission and Ministry of caring for the Medicaid population. This past year Saint Mary's lost over \$15 million caring for the nearly 3,000 inpatients and over 150,000 outpatients. In our case at Saint Mary's, it is true that no good deed goes unpunished.

We provide an invaluable service to the Medicaid population at a time when they need us most. Unfortunately, the current economic climate has made it very challenging for many of our citizens, and the ranks of the Medicaid population continue to grow. Please consider the following highlights about the patients Saint Mary's serves, and the way we are compensated for these services.

84,181	Primary Care Visits	2 nd highest in Connecticut
68,352	Emergency Department Visits	6 th highest in Connecticut
2,847	Medicaid discharges	6 th highest in Connecticut
12%	Net revenue from Medicaid patients	3 rd highest in Connecticut
\$0.66	Medicaid payment to cost ratio	5 th lowest in Connecticut
\$1.01	Private payment to cost ratio	3 rd lowest in Connecticut

Source: 2009 OHCA Report on the Financial Condition of Connecticut Hospitals

What these facts point out is that Saint Mary's is among the leading providers of Medicaid services, yet unfortunately also among the lowest paid!

During the past several years, the entire Saint Mary's Hospital team – including our Board of Directors, physicians, and staff – have taken on the extremely difficult work of stabilizing our operations in a challenging economic environment. We have reduced our staff, increased operating efficiencies, and implemented an aggressive expense control program. Throughout all of this, our commitment to serving *all* of our community has never wavered.

We have estimated that the funding cuts contained in the Deficit Mitigation Plan would have a \$1.7 million negative impact on Saint Mary's. The proposed plan would severely worsen an already untenable position. It would undo the hard work of the past several years, and jeopardize our ability to provide the safety net services that our community depends on.

While I can understand the magnitude of the state's fiscal crisis, I urge you to reject these proposed funding reductions to hospitals. These cuts will put the entire healthcare safety net at risk and will directly impact the access to vital services for the growing ranks of citizens who need them most and have nowhere else to turn.