



TESTIMONY OF  
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V.P., Public Affairs  
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BEFORE THE  
APPROPRIATIONS COMMITTEE  
Wednesday, December 9, 2009

**Governor M. Jodi Rell's November 24, 2009 Deficit Mitigation Plan for Fiscal Year 2010**

Thank you for the opportunity to submit testimony today on Governor M. Jodi Rell's November 24, 2009 Deficit Mitigation Plan for Fiscal Year 2010. My name is Mary Franco, I am Vice President of Public Affairs for Norwalk Hospital.

While all of us at Norwalk Hospital appreciate the difficult task facing Governor Rell and the legislature in addressing the state's budget deficit, we are deeply concerned about the enormous payment reductions to hospitals included in the Governor's deficit mitigation plan. According to the Connecticut Hospital Association, the proposed reductions to Medicaid and other programs total approximately \$77 million for hospitals statewide.

For Norwalk Hospital, the proposed reductions will mean a cut of \$1.5M, creating a budget shortfall that will be extremely difficult to fill in such strained economic times. In the face of the prolonged recession, as unemployment has soared and record numbers of people have found themselves uninsured or on Medicaid, we continue to meet the medical needs of our community 24 hours a day, 7 days a week, regardless of patients' ability to pay. The volume in our emergency department for those who have nowhere else to turn is staggering.

Norwalk Hospital provides enormous community benefit including a dental clinic and a specialty clinic to poor and disabled patients and residents of Fairfield County. We have worked diligently in recent years to be financially prudent while simultaneously improving quality and compassionate patient centered care. Governor Rell's proposed cuts will have a deep impact on these initiatives and benefits to our patients.

It simply makes no sense to cut Medicaid payments at a time when Congress has given unprecedented Medicaid funding increases to states. Under the stimulus bill, Connecticut will get more than \$1.4 billion in increased federal funds to provide care for our most vulnerable populations. This infusion should be used to maintain eligibility and coverage, and help bring provider rates closer to covering the actual cost of care.

In addition, earlier this year, the Rell Administration agreed to pursue a SAGA waiver that would convert the SAGA program to Medicaid. This waiver will remove the cap on SAGA funding, increase SAGA payments to providers, and save the state approximately \$28 million per year. The state should implement the SAGA waiver immediately – each day we delay implementing this waiver the state fails to maximize available federal revenue.

We strongly urge rejection of the proposed cuts and immediate implementation of the SAGA waiver.