

Testimony of the Cornell Scott - Hill Health Center
before the
Appropriations Committee
Presented by
Robert Rioux, Director of Marketing, Communications & Public Relations

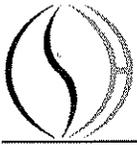
Thursday February 11, 2010

Senator Harp and distinguished members of the Committee, thank you and good evening. My name is Rob Rioux. I am Director of Marketing, Communications & Public Relations at Cornell Scott – Hill Health Corporation in New Haven. We were Connecticut's first federally qualified healthcare center (FQHC) established in 1968 and after 40 years we are one of the largest - serving approximately 30,000 patients annually.

Let me be clear, we are on the front lines of the healthcare experience. We can tell you with certainty that the proposal to reduce funding for Federally Qualified Health Centers in this State will have an adverse effect on the populations we serve as well as on the fiscal condition of the State of Connecticut. In addition, this proposal will not result in any significant short-term cost savings and in actuality will increase costs to the State of Connecticut over the long-term.

Specifically, utilization data of the uninsured and underinsured we serve tells us that without access to a community health center, the first choice of treatment when illness occurs is the local emergency room. Volume will increase. As you well know, the cost per emergency room visit is significant potentially reaching thousands of dollars compared to the all inclusive rate for a visit to an FQHC which often includes many procedures that if billed separately (as other providers do) would far exceed the rate paid to the FQHC.

The data also tells us that when we are able to provide access to the target population at our sites throughout the greater New Haven area and the Naugatuck valley, emergency room use for non-emergency conditions is



drastically reduced. People enter the system of care through our center at a lower cost per encounter (\$179) and remain healthier for longer periods of time resulting in a lower burden on the taxpayers of the State of Connecticut.

A 10% reduction in reimbursement to SAGA providers will negatively impact SAGA patients in many ways. First, access to care will be reduced. 10% may not seem like a significant reduction in real dollars to those charged with identifying cost-saving opportunities, but I can assure you it is a large number when it hits the front lines of healthcare. This would eliminate approximately \$440,000 in reimbursement to Cornell Scott – Hill Health Center alone.

In 2009, Cornell Scott – Hill Health Center serviced 4,100 unique SAGA medical patients through 13,600 encounters. If this one budget measure alone, the 10% reduction in SAGA, were to pass as stated, our facilities would be faced with the elimination of approximately 9.5 to 11 FTE positions. This would result in a reduction of capacity and a decrease of patient volume by about 400 unique visitors.

Those 400 patients, unable to schedule timely appointments, the majority of whom suffer from diabetes, HIV/AIDS, asthma, and heart disease, would opt for one of two options:

- a) forego care, resulting in exacerbation of chronic or serious illness that will eventually need to be addressed at a higher cost to the State, or
- b) turn to an alternative source or site of care and we know that leads directly to the emergency room door, again, resulting in increased costs for the State of Connecticut and less continuity of care for these patients.

These patients also would not be given a medical home – that is an avenue of care that offers follow-up and guidance – something they don't receive

at the emergency room which is episodic care which we know does not contribute to the most efficient and cost effective management of chronic diseases.

At a time when this country, and this population profile specifically, are faced with an economic downturn and an uncertain recovery, this budget proposal reduces access to care just when people need it most.

In the end this measure is what we call "Cost-Shifting Plus" – shifting dollars from the FQHC line item to another area of State responsibility – along with the plus, an additional financial burden due to the increased volume of patients seeking non-emergency care at local hospital emergency rooms.

Secondly, there is one more burden presented to the State as a result of this proposal that should not be overlooked. What happens to the Cornell Scott - Hill Health Center employees who would be laid-off in order to bring the costs of caring for SAGA patients in line with reimbursement at 90% of cost? Clearly the majority of them will end up on the State Unemployment Insurance system, draining additional funds from our treasury. Right now the Bureau of Labor Statistics indicates the average mean duration of unemployment for people in the healthcare services industry is 28 weeks.

If we were to consider the plight of the affected employees just at Cornell Scott – Hill Health Center, we would see an additional cost to the State of approximately \$98,000 over those 28 weeks. Layoffs mean reduced revenue for the State in employment taxes, income taxes and sales taxes. According to the Connecticut Economic Resource Center, every job produces an economic multiplier that contributes to the local economy. If we consider a multiplier of .67 per dollar of labor expense, then an additional \$290,000 is removed from the greater New Haven economy. Consider the additional economic impact in the many, many other communities served by Connecticut's 14 FQHCs.



And lastly, I urge the Committee to explore all possible alternatives to the reduction of funding for Federally Qualified Health Centers. This is not an easy decision for anyone, but when it comes to the health and well-being of our citizens, I think we can all agree there needs to be sincere and rigorous contemplation before any action is taken.

Thank you for your time and for your service to our State.