

Testimony of Yale New Haven Health System
Submitted to the Human Services Committee
March 2, 2010

HB 5328 AA Implementing SAGA Hospital Rate Increases

On behalf of Yale New Haven Health System (YNHHS), thank you for providing an opportunity to submit testimony in support of **HB 5328 AA Implementing SAGA Hospital Rate Increases**.

Yale New Haven Health System, through its Bridgeport, Greenwich and Yale-New Haven Hospital affiliates, provides comprehensive, cost effective, advanced patient care characterized by safety and clinical and service quality to thousands of Connecticut residents each year. The YNHHS has more than 12,000 employees, 4700 medical staff and 1543 licensed beds; and includes the State's largest Hospital Medicaid providers. We are among our communities' largest employers, and serve as economic engines in both Fairfield and New Haven counties.

While we continue to seek adequate Medicaid reimbursement to cover the cost of the services we provide, we fully recognize that the State is facing difficult economic times. We are particularly concerned, however, over the Governor's proposal to cut the dollars that had been appropriated to raise hospital payments in the State-Administered General Assistance (SAGA) program to Medicaid levels.

As you know, the FY 2010-11 biennial budget passed in September 2009 provided funding that was needed to raise hospital SAGA rates to Medicaid levels, effective January 1, 2010. This was considered when hospitals across the state were adopting their FY 2010 budgets as the hospital fiscal year runs October 1 to September 30. The proposed 18 month delay of moving the growing SAGA population to Medicaid rate reimbursement will have a significantly negative impact on Connecticut's hospitals, particularly those located in urban areas.

For YNHHS affiliates, we estimate the following losses in anticipated funding:

	2nd half SFY 10	SFY 11	
	<u>10/1/10 - 6/30/10</u>	<u>7/1/10 - 6/30/11</u>	<u>for the full 18 months</u>
BH	\$2,129,273	\$4,258,546	\$6,387,819
GH	\$44,577	\$89,155	\$133,732
YNHH	\$6,744,794	\$13,489,587	\$20,234,381
YNHHS	\$8,918,644	\$17,837,288	\$26,755,932

SAGA non-hospital providers are paid one hundred percent of the Medicaid rate while hospitals are paid about 43 percent of the Medicaid rate. We strongly urge your support of HB 5328 to help facilitate hospital payment of the Medicaid rate for services under the SAGA program.

Thank you for your consideration on this important health matter.

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