



**The William W. Backus
Hospital**

**Written testimony of
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Norwich, Connecticut
provided to

THE APPROPRIATIONS COMMITTEE
Thursday, February 11, 2010

Members of the Appropriations Committee:

I write in support of the testimony presented by the Connecticut Hospital Association (CHA) in **opposition to HB 5018**, "An Act Making Adjustments to State Expenditures and Revenues for the State Fiscal Year Ending June 30, 2011."

Specifically, I join my hospital colleagues in urging you to reject a reduction of \$63 million in the amount appropriated to raise hospital payments in the State-Administered General Assistance (SAGA) program up to Medicaid payment levels. Hospitals deserve to be reimbursed at least at the Medicaid rate for services under the SAGA program — as provided for in the biennial budget.

As you know, pharmacies and community health centers that provide care to SAGA patients are reimbursed at 100% of the Medicaid rate — yet hospitals are paid about 43%.

This is bad policy under any circumstances, but especially ill-conceived now, since the funds necessary to raise hospital SAGA rates to Medicaid levels have already been appropriated — and they will be matched with or without a waiver.

According to a CHA analysis on the impact of cutting hospital funding for SAGA, this would amount to approximately **\$2.5 million for Backus Hospital** from January 2010 to June 2011.

Hospitals, like Backus, are the healthcare safety net for our residents — many of whom have fewer places to turn for their care due to the loss of jobs and employer-paid health insurance coverage.

Please pay hospitals in accordance with the budget at the Medicaid rate for SAGA. This will help ensure the healthcare safety net does not become stretched even further.

Thank you for your consideration.