HARTFORD HOSPITAL

TESTIMONY OF
J. Kevin Kinsella, Vice President of Hartford Hospital
SUBMITTED TO THE
HUMAN SERVICES COMMITTEE
Tuesday, March 2, 2010

HB 5328, An Act Implementing SAGA Hospital Rate Increases

Hartford Hospital appreciates the opportunity to submit testimony in support of **HB 5328, An Act Implementing SAGA Hospital Rate Increases.**

As you may know, the SAGA program has been the focus of much legislative attention for several years. The SAGA program was significantly modified in 2004 and subjected hospitals, pharmacies, and community health centers to a cap based on available appropriations. Over time, DSS removed the cap from all providers except hospitals. Today, SAGA non-hospital providers are paid one hundred percent of the Medicaid rate while hospitals are paid about 43 percent of the Medicaid rate. The losses at Hartford Hospital as a result of treating the large population of SAGA patients cannot continue. The City of Hartford has the largest number of SAGA enrolees in the State.

As of today, DSS has not taken the administrative steps needed to implement an 1115 waiver for the SAGA program as directed by the legislature and does not plan to do so until July 1, 2011 – a full seven and a half years after first directed by the legislature to do so. In a letter dated January 20, 2010, DSS stated that the further delay is due to the uncertainty created by federal healthcare reform.

The biennial budget passed in September 2009 provided the funding needed to raise hospital SAGA rates up to Medicaid effective January 1, 2010. This new budget makes it clear that DSS will not be implementing existing law in the time frame required. **The funds necessary to raise hospital SAGA rates to Medicaid have been appropriated and will be matched with or without a waiver.** So, let's just start paying hospitals in accordance with the biennium budget at the Medicaid rate for SAGA and finally put hospitals on par with all other providers to the SAGA program.

HB 5328 acknowledges that the funding to pay hospitals at the Medicaid rate is already appropriated, and directs DSS to pay hospitals in accordance with that appropriation without a cap. We urge you to pass HB 5328.

Thank you for your consideration of our position.