



Saint Raphael Healthcare System

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**WRITTEN TESTIMONY BY
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**HUMAN SERVICES COMMITTEE
Thursday, March 11, 2010**

**RE: HOUSE BILL 5412, AN ACT TO MOVE HOSPITAL UNCOMPENSATED
CARE FUNDS AND URBAN DISPROPORTIONATE SHARE HOSPITAL
FUNDS INTO THE FUND FOR HOSPITAL MEDICAID RATES**

The Hospital of Saint Raphael supports the concept of House Bill 5412, An Act to Move Hospital Uncompensated Care Funds and Urban Disproportionate Share Hospital Funds into the Fund for Hospital Medicaid Rates but recommends technical changes to the legislative language.

With pending federal healthcare reform and the ongoing financial pressures facing the state government and Connecticut's hospitals, we understand the purpose and intent of this proposed legislation. We are concerned, however, that hospitals that rely on the urban and uncompensated care pools to help mitigate governmental shortfalls and uncompensated care could be adversely impacted by this legislation. Section 1 (b) of the HB 5412 somewhat addresses our concerns in that it directs the Department of Social Services (DSS) to raise Medicaid rates in the same proportion, but the legislative language needs to include a formula as to how the pool funds will be incorporated into hospital Medicaid rates in the same proportion. In addition, if pool funds are transferred through the Medicaid managed care program via the managed care organizations, the statute must direct the insurers to consistently and immediately pass these increases in entirety to the hospital providers. With these recommended changes, hospitals that are currently receiving uncompensated care and urban pool payments will receive the same level of funding via Medicaid rate increases.

The intent of the uncompensated care and urban pool funds was to recognize those hospitals that serve a disproportionate number of uninsured patients or patients with Medicaid or State-Administered General Assistance. The Hospital of Saint Raphael is one of these hospitals that serves as a healthcare safety net in the greater New Haven community.

We appreciate the opportunity to provide testimony for support of House Bill 5412 with recommendations that statute include the formula for transferring the funds from the pools into the Medicaid rates and insurers shall be instructed to pass these subsequent increases on to the hospital providers, separate from individually-contracted rates.

Thank you.