

# 47  
20

TESTIMONY OF  
*Michael Daglio, Senior Vice President of Operations, Danbury Hospital and  
Deborah Weymouth, Senior Vice President of Operations, Executive Director,  
New Milford Hospital*  
( collectively *Western Connecticut Healthcare, Inc.*)

BEFORE THE APPROPRIATIONS COMMITTEE  
Friday, March 4, 2011

HB 6380, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM  
ENDING JUNE 30, 2013

*Danbury Hospital and New Milford Hospital* are very appreciative for the opportunity to submit testimony concerning HB 6380, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2013.

*Collectively, Danbury and New Milford Hospitals provide a safety net of quality, accessible care and more than \$80 million in community benefit investment.* This investment includes the delivery of comprehensive and high-quality services to the uninsured and under-insured which also includes a large population of undocumented persons throughout our region of care. **In fact, we are the ultimate safety net for all populations and for all services in our region.**

HB 6380 provides the details for implementing the proposed state budget. While we recognize the proposals contained within HB 6380 are designed to strike a balance among a myriad of difficult choices, we stand ready to be a resource to you in designing an equitable solution. We offer our comments to make sure all decision makers are fully informed of the ramifications of these proposals on our ability to serve as your safety net for the region.

As you are already aware, the bill as presented cuts \$83 million in funding from the Uncompensated Care and DSH pools, imposes a 5.5 percent tax on hospitals, and makes a number of other reductions and changes to Medicaid and community programming that will negatively affect our hospitals and the community and patients we serve.

If this proposed budget passes, the impact to Danbury Hospital is \$6,550,899. Impact to New Milford Hospital is estimated at \$2,342,084. Collectively, our newly formed system is faced with an unplanned loss of just under \$9 million based on these obvious cuts.

*Over the past several years individually, and now through our recent affiliation systematically, we have realized many efficiencies and cost savings.* We've achieved these efficiencies in cost and quality by digging deep within both institutions to live below our means, reorganizing our service delivery processes to maximize quality and minimize excess cost, including investing in our own sustainability by going off the grid and generating our own electricity.

- Maintaining quality, access and community outreach in our DMHAS-recognized Crisis Intervention program, despite reductions year after year;
- Fuel savings via implementation of our Co-Generation plant

- ***Human Resources, Payroll, Planning and Finance via "Right Staffing" and "Lean" process improvements.***
- ***Optimization of Information Technology***
- ***Cooperative buying via our newly combined supply chain***

Beyond the loss from the tax and the elimination of funding for uncompensated care, Danbury and New Milford Hospitals will also be harmed by proposals that would cut \$1.1 million in funding for certain hospital outpatient services, reduce non-emergency dental services for adults under Medicaid, and impose cost sharing requirements for certain individuals receiving Medicaid services.

As you're also keenly aware, these proposals, combined with cuts to community-based caregivers, will result in the wholesale elimination of programs and investments in staffing, facilities improvements and technology, including the vitally important electronic health record initiative, all of which will negatively impact our community. Our Emergency Departments will become overwhelmed in the balance - no matter how good we might be at promoting prevention, managing chronic illness, mitigating wait times and creating through-put efficiencies.

We take great pride in the time-proven relationships we have with our patients, providers, payers and community employers. The combined effect of these proposals will result in nothing short of an unsustainable cost shift that they can no longer bear.

There are better options that provide the opportunity for expanding access, reducing the state deficit, reducing the cost shift to Connecticut businesses and employees, and helping address the hospital funding shortfall. We recognize that we will have to make sacrifices and cuts will need to be made. Given that recognition, we hope to have a seat at the table to help craft equitable solutions. We therefore respectfully urge you to reject the harmful proposals contained within HB 6380.

Thank you for your consideration.