TESTIMONY OF
Windham Hospital
BEFORE THE
APPROPRIATIONS COMMITTEE

Friday, March 4, 2011

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

Windham Hospital appreciates the opportunity to submit testimony concerning **HB 6380, AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2013.**

Windham Hospital is a 130-bed acute care hospital serving thousands of people in northeastern Connecticut. For nearly 80 years Windham Hospital has been renowned for its outstanding physicians and extraordinary nursing care and today offers a unique combination of talent and technology in patient care as a member of Hartford Healthcare, Connecticut's premiere healthcare system.

HB 6380 provides the details for implementing the proposed state budget. I am here to ask you to oppose this bill because it 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 the Medicaid program that will negatively affect my hospital and the community and patients we serve. In fact, these budget actions threaten our hospital's ability to serve our community.

If this budget passes our hospital will lose nearly $500,000. Already, due to the current weak economy as well as concerns over Federal payment reductions, our hospital has initiated a financial improvement plan that involves expense reductions totaling nearly four percent. These include non labor as well as difficult changes involving staff. Since Windham is consistently one of the lowest cost hospitals in the state, further reductions would be exceedingly difficult.

Windham Hospital understands that Governor Malloy is facing an unprecedented state budget deficit and has the tough job of balancing needs and resources. We are all too familiar with the tough choices he must make. However, we know that imposing a hospital

tax or eliminating funding for uncompensated care will hurt the health of Connecticut citizens and the economy of our state.

Often we only think about hospitals and the care they provide. But, cuts of this magnitude will ripple through the economy at both the local and state levels. Windham Hospital is one of the largest employers in the area. We employ 839 people from the surrounding communities and pay $43 Million in salaries each year.

On top of this loss from the tax and the elimination of funding for uncompensated care, Windham Hospital 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.

This is not the time to dismantle the healthcare system. 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 urge you to oppose HB6380 and join us in saying NO to hospital taxes and funding cuts.