CONNECTICUT
HOSPITAL
ASSOCIATION

TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
BEFORE THE
APPROPRIATIONS COMMITTEE
Friday, February 17, 2012

HB 5014, AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2013

The Connecticut Hospital Association (CHA) appreciates this opportunity to present comments with respect to **HB 5014, AN ACT MAKING ADJUSTMENTS TO STATE EXPENDITURES AND REVENUES FOR THE FISCAL YEAR ENDING JUNE 30, 2013**.

Before outlining our concerns, it's important to detail the critical role hospitals play in the health and quality of life of our communities. Our state's hospitals are more than facts and figures, and dollars and cents. Hospitals, at their core, are all about people. All of our lives have, in some way, been touched by a hospital: through the birth of a child, a life saved by prompt action in an emergency room, or the compassionate end-of-life care for someone we love. Or perhaps our son, daughter, husband, wife, or friend works for, or is a volunteer at, a Connecticut hospital.

Hospitals provide care to all people regardless of their ability to pay. In fact, every three minutes, someone without health insurance comes to a Connecticut hospital in need of inpatient, emergency, or outpatient surgical services. Connecticut hospitals are the ultimate safety net providers and offer care 24 hours a day, seven days a week, 365 days a year.

Every day, healthcare professionals in hospitals see the consequences and health implications for individuals and families who lack access to care and coverage. Emergency departments are filled with individuals who cannot find a physician to care for them because they are uninsured or underinsured – or they are Medicaid beneficiaries and few physicians will accept the low rates paid by Medicaid. Throughout Connecticut, our emergency rooms are treating both those who have delayed seeking treatment because of inadequate or no coverage, and those who have no other place to receive care.

Thus, as front line caregivers, Connecticut hospitals are absolutely committed to initiatives that improve access to high quality care and expand health insurance coverage. Connecticut hospitals stand ready to partner on solutions to create a system of healthcare coverage that ensures access to all residents. Such a system must ensure seamless coordinated care that is affordable to individuals and families, and is sufficiently financed. The ultimate goal is to establish a healthcare system through which coverage is affordable and sustainable, and access to care is guaranteed.

Connecticut hospitals know all too well how difficult it is to operate in this economic environment and make choices amongst competing priorities. We sincerely thank Governor Malloy for submitting a budget that maintains hospitals' Medicaid rates. We do, however, have concerns over several provisions in the proposed budget.

CHA opposes several provisions in HB 5014 that would negatively impact hospitals and the communities they serve. Specifically, hospitals oppose those provisions that will: (1) reduce Medicaid Low-Income Adult enrollment by seeking a waiver to establish a $25,000 asset limit (excluding an automobile or home); count family income when determining eligibility for individuals under the age of 26 and either living with their parents or claimed as a dependent for tax purposes; and impose limits on certain medical services; (2) reduce reimbursement rates for certain dental benefits for individuals in the Medicaid program; and (3) revert rates for air ambulances to rates in place in FY 2011.

Each of these reductions will have a negative impact upon Connecticut hospitals. Each will make it more difficult for people to find care in the appropriate setting, and to enroll and remain in the Medicaid program. In these difficult economic times, it is more important than ever that the state is steadfast in its commitment to help those who cannot help themselves.

The proposed changes to the Medicaid LIA program will impede access to healthcare coverage for a vulnerable population that just recently became eligible for Medicaid coverage under federal reform.

We concur with you, Senator Harp and Representative Walker, as well as the chairs of the Human Services and Public Health Committees, when, in your January 11, 2012 letter to Commissioner of the Department of Social Services Roderick L. Bremby, you cautioned that the Medicaid LIA population is one of our most vulnerable, and any modifications of the program would likely cause significant disruption and a loss of benefits.

This is not the time to make changes in Medicaid LIA enrollment. As we move toward 2014 and begin to fully implement federal healthcare reform, Connecticut now has an unprecedented opportunity, through federal healthcare reform, to make it better for patients, businesses, the state, and providers.

We must:

- Expand access and improve quality of care for all patients;
- Make healthcare more affordable for families and business by reducing the cost shift to business;
- Provide cost savings for the state; and
- Improve funding for hospitals, physicians, and other care providers.

This can be accomplished by creating a more viable healthcare system that includes:

- An effective state health insurance exchange that makes affordable coverage and improved access a reality for uninsured individuals and small businesses.
- The use of available federal healthcare reform funds to make comparable coverage available through the state health insurance exchange to people currently covered by Medicaid who are eligible for private insurance under the exchange.
- Investments of new federal healthcare reform funds in Connecticut's hospitals, physicians, and other care physicians.

Thank you for your consideration of our position.

For additional information, contact CHA Government Relations at (203) 294-7310.