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**Testimony of
Peter J. Karl, President & CEO
EASTERN CONNECTICUT HEALTH NETWORK (ECHN)**

Submitted to the
Appropriations Committee
February 17, 2012 – Public Hearing

***HB 5014: An Act Making Adjustments to State Expenditures and Revenues
for the Fiscal Year Ending June 30, 2013***

As President and CEO of Eastern Connecticut Health Network (ECHN) and as Secretary of the Connecticut Hospital Association's Executive Committee and Chairman of its Committee on Government Relations, I am writing to express ECHN's strong opposition to certain provisions outlined in HB 5014, An Act Making Adjustments to State Expenditures and Revenues for the Fiscal Year Ending June 30, 2013.

ECHN is a not-for-profit health care system serving 19 towns in eastern Connecticut. Our network of affiliates includes Manchester Memorial Hospital, Rockville General Hospital, Woodlake at Tolland Rehabilitation and Nursing Center, Eastern Connecticut Medical Professionals, Women's Center for Wellness, Visiting Nurse & Health Services of CT and Eastern Connecticut Cancer Institute. We employ over 2,500 people in eastern Connecticut and paid out \$134 million in salaries and an additional \$84 million in goods and services in 2011. We also provided \$5.6 million in charity care during our last fiscal year.

Although we are pleased that HB 5014 includes language that protects Medicaid rates for Connecticut hospitals, we are very concerned over the provisions in the proposed budget bill that will exacerbate the financial burden facing Connecticut hospitals and impede the enrollment of Low-Income Adults (LIA) in the Medicaid program, especially in these difficult economic times.

This includes the specific provisions in HB 5014 that will reduce LIA enrollment by seeking a waiver to establish a \$25,000 asset limit (excluding an automobile or home)

and 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. We also oppose language in the bill that will impose limits on certain medical services.

I was pleased to read the recent letter you and the leadership of the Public Health and Human Services Committee sent to DSS Commissioner Roderick L. Bremby that outlined your serious reservations regarding the agency's proposed changes to Connecticut's Medicaid LIA program. ECHN wholeheartedly agrees that the changes will significantly disrupt the purpose of the program and result in a loss of benefits and health care access for some of the state's most vulnerable populations.

In a time when hospitals like Manchester Memorial and Rockville General face significant mandates due to the Affordable Care Act, the continued decline of federal Medicare reimbursements, the new state hospital tax and soaring pension obligations, any proposals to limit Medicaid will come at the wrong time for Connecticut's low-income adults who will find it increasingly difficult to enroll and remain eligible for the Medicaid program and hospitals like ours whose mission is to provide them with high-quality, compassionate health care.

ECHN recognizes the difficult job you have to do and the tough decisions that must be made when it comes to our state's finances. However, the decisions made this week on Capitol Hill regarding Medicare reimbursement for hospitals coupled with the proposals being considered in Hartford this legislative session will severely impact ECHN and hospitals across the state.

Therefore, I hope you will take my remarks – and the testimony from other hospital leaders – into sincere consideration as you craft your committee's budget adjustment bill this year. As always, thank you for your consideration and please feel free to contact me if you have any questions or comments.

Sincerely,

A handwritten signature in black ink that reads "Peter Karl". The signature is written in a cursive style with a large, prominent "P" and "K".

Peter J. Karl
President & CEO