



**Testimony of Susan Martin, CFO  
Middlesex Hospital  
BEFORE THE  
PUBLIC HEALTH COMMITTEE  
Wednesday, March 21, 2012**

**SB 425, An Act Concerning A Basic Health Program**

My name is Susan Martin. I am the Chief Financial Officer at Middlesex Hospital in Middletown, CT. I am testifying today in opposition to SB 425, An Act Concerning A Basic Health Program.

Last year the Hospital provided over \$30 million in community benefit programs and services to the people of greater Middlesex County. Middlesex Hospital offers a wide array of inpatient and outpatient healthcare services to the community. We are one of the largest providers of emergency care services in Connecticut, as we provide upwards of 90,000 emergency service visits annually via three separate 24 hour, 7 day-a-week emergency care facilities. We provide care and services to all members of our community regardless of their ability to pay. In fact, our 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. 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.

As frontline caregivers, we are absolutely committed to initiatives that improve access to high-quality care and expand health insurance coverage. We 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.

SB 425 directs the Department of Social Services to establish a BHP for those individuals with a family income between 133 and 200 percent of the federal poverty level (FPL). The BHP would become the new insurance coverage for those individuals currently on Medicaid with incomes above 133 percent of federal poverty guidelines, as well as others not currently enrolled in Medicaid that meet the eligibility criteria. The BHP would be funded by accessing 95 percent of the available tax credit that would have been provided to the individual, if the individual had gone through the exchange. It is expected that this new source of federal dollars would be sufficient to reduce the state's expense for these Medicaid individuals. It is hoped that there might be some federal dollars left over. If there are, the proposed legislation calls for using those dollars to increase reimbursement rates for providers.

The fundamental problem with this approach is that it doesn't resolve the existing problems of the Medicaid program for patients, providers, or businesses. As we all know, in both good times and bad, inadequate funding for Medicaid has been a problem that has affected beneficiaries, the state, hospitals, and employers. Beneficiaries suffer inadequate access to non-hospital services, the state can't afford it, and hospitals struggle with how to shift the Medicaid underfunding of more than \$1 million a day to those who get their health insurance through their employer. On the unsustainable track that we are on, that Medicaid cost shift will soon be approaching \$2 million a day.

Creation of the BHP would exacerbate these existing problems. First and most important, it will not improve access to non-hospital based services for Medicaid patients. Second, it doesn't address the underfunding of hospitals, which results in a tremendous amount of costs being shifted to Connecticut businesses and employees. Third, it doesn't provide any assurance that the operation of this plan will not add to the already staggering cost shift borne by Connecticut businesses and employees. In our view, adoption of a BHP will cause us to have missed a historic opportunity to break the cycle of inadequate access and the employer burden that results from cost-shifting.

In our opinion, a better approach would be to enroll these individuals into the health insurance exchange, and supplement federal funding with the resulting state savings. This would provide these individuals with the resources necessary to cover any out-of-pocket expenses and missing services.

Thank you for your consideration of our position.

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