

## Testimony to the Appropriations Committee

February 22, 2013

Good evening. My name is Jane Caron. I am a social worker at the Hospital of Central Connecticut where I have been employed for 34 years. I am here today to discuss my concerns over proposed budget cuts to hospitals in the state.

I am a life-long resident of the State of Connecticut; I love Connecticut and understand the very difficult financial situation the State is in. I understand that if we do not begin to right our fiscal dilemma we are forcing ourselves into an untenable situation.

As a social worker in a hospital, I would like to talk about our patients and what health care is like for many of them. Social workers deal every day with patients who have inadequate or no health insurance. As we are trying to help patients cope with difficult disease processes, often we are trying to find resources for on-going care. Like all urban hospitals, The Hospital of Central Connecticut has a significant Medicaid currently estimated at about 20% of our inpatients patients and 50% of the ED patients. The Medicaid and self-pay population continue to grow. I would like to explain through a couple of examples how difficult it can be for some of our patients to maintain their health.

Grace is a 53 year old woman who has asthma, diabetes and the beginning of glaucoma. She is married and has a small home with a large mortgage. She has private health insurance through her husband's employer. Both work at low wage jobs full time. Their combined income is under \$35,000. Their health insurance is inadequate so last year Grace spent about \$15,000 on care and prescriptions that were not covered by her plan. She spent \$5,200 on prescription co-pays, \$4,400 on copays for specialty physicians and \$5,400 on her primary care doctors. Without the insurance she does have, insulin alone would be almost \$2,300/month. She panics most days worrying about her health care expenses. Her asthma is in part

triggered by mold in her home from a leaky gutter that she cannot afford to fix. It is a battle to keep Grace healthy and out of the hospital.

John, who is 45 years old, was laid off and is looking for work. He has income from unemployment that makes him ineligible for Husky D (Medicaid for low income adults). He is a patient in our Cardiology Clinic with multiple health problems and has 6 prescriptions. As we always do, the doctor managed to put him on generics for several prescriptions at \$4 each. The five prescriptions are \$20/month. Frequently patients do not have the \$20, so we provide it. The real issue is the sixth prescription, a drug like Advair where there is no generic substitute and which he must take. It retails for \$348/month. This is where Medicaid spend-down comes in. The patient cannot get Medicaid until he has reached the spend-down amount of medical expenses. I think about what I would cut out of my budget in order to afford the \$4,200/year for Advair to keep myself healthy. But what if my budget is bare bones with no money to spare anywhere? I will not take my medication and I will become sicker and sicker.

In October 2011 we admitted an undocumented immigrant to the hospital into Critical Care. He was discharged back to his home country of Mexico in January 2013, 15 months later. His bill was approximately \$1.4 million of which about \$95,000 was paid by the state. The remainder was written off as bad debt by the hospital. I am very proud of the Hospital of Central Connecticut for providing outstanding care and their commitment to doing the right thing.

I believe our current health care system has significant flaws that disproportionately and adversely affect low income, working poor and indigent people. Some of us are fortunate enough to have excellent health insurance. Some of us had insurance through our employer, lost a job and cannot afford the COBRA premiums. Some of us are low income, but not quite low income enough to qualify for Medicaid. Currently, for a single person to be eligible for HUSKY D, their income needs to be under \$513/month. Some of us have health insurance that is inadequate so that the deductibles and copays start spinning out of financial control.

The concern for The Hospital of Central Connecticut is the ever increasing responsibility of caring for patients that either we cannot receive payment for or the payment is well below the cost of providing that care. A report by the National Association of Public Hospitals and Health Systems projects hospitals will see \$53 billion more in uncompensated care costs by 2019 than originally estimated when the Affordable Care Act was approved. It is also projected that millions of people will opt to pay a penalty instead of procuring insurance. All of this adds up to a tremendous amount of uncompensated care that will require thoughtful, creative thinking to turn around.

Hospitals in Connecticut, including the Hospital of Central Connecticut are working very, very hard to streamline systems and improve efficiency where we can. We try out new ideas all the time, many from employees. One part of a possible solution for uncompensated care is increasing our effort to work with self-pay and under-insured patients. We now have programs in place to identify, complete appropriate applications and follow-up with patients to assure they are enrolled in health insurance programs for which they are entitled. For example, getting someone enrolled into Medicaid is often a daunting process and patients become discouraged and give up. We need to have an empathetic, non-judgmental conversation with patients to help them complete the process and help the hospital receive every dollar we can. We are working on a program to help patients identify primary care doctors and avoid costly emergency room visits. One insurance plan that focused on high risk patients reduced costs by as much as 20%.

All solutions take time and consideration. The Affordable Care Act will be implemented in January 2014, nearly a year away. While the Hospital of Central Connecticut gears up for the program and the uncertainties it will bring, we, simply put, cannot manage a 35% reduction in Medicaid revenue. My fear is that it will cause us to spiral down to a place where there is limited care or perhaps no care at all. This statement is not overly dramatic. It is a difficult reality now to provide care to the disadvantaged. Without the revenue from Medicaid, I believe many patients will go without

care, become sicker and end up in the hospital, our most expensive form of care.

I ask that you thoughtfully consider your choices here and help hospitals do the best we can for our patients.

Thank you for your time and attention.