YALE NEW HAVEN HEALTH

TESTIMONY OF
Patrick McCabe
BEFORE THE
APPROPRIATIONS COMMITTEE

Friday, February 22, 2013

HB 6350, *AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE*

Good afternoon. My name is Pat McCabe and I am the senior vice president of corporate finance of the Yale New Haven Health System and the chief financial officer at Bridgeport Hospital. I am here today to testify in opposition to **HB 6350,** ***AN ACT CONCERNING THE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2015, AND OTHER PROVISIONS RELATING TO REVENUE.***

I am here this evening on behalf of Yale New Haven Health System (YNHHS)-- Connecticut's leading healthcare system with over 18,000 employees and nearly 6000 medical staff serving more than 93,000 inpatients and 1.4 million outpatient visits last year, alone.

The Yale New Haven Health System, through Bridgeport, Greenwich and Yale-New Haven Hospitals, and their affiliated organizations, provide comprehensive, cost-effective, advanced patient care characterized by safety, quality and service. We offer our patients a range of healthcare services, from primary care to the most complex care available anywhere in the world. Bridgeport, Greenwich and Yale-New Haven Hospitals are committed members of their local communities and provide millions of dollars in free and charity care and community benefit activities, such as investments in education programs, Habitat for Humanity, workforce development, health education and screenings, school partnerships, and assistance to local nonprofit organizations.

YNHHS hospital affiliates care for more than one quarter of the State's Medicaid enrollees and provide millions in free and uncompensated care to those who need our high quality services and can not pay for them. In addition to being our community's largest employers and significant economic engines, we are the ultimate safety net and provide care 24 hours a day, seven days a week, 365 days a year. Every day, our staff cares for individuals and families who lack access to and coverage of medical, dental and behavioral health care. Our emergency departments are filled with individuals, many of whom have delayed treatment, or who do not have anywhere else to go for medical or mental health care. Many of these patients are covered by Medicaid and, while the coverage is superior, access is severely limited due to inadequate reimbursement.

The budget proposed by Governor Malloy will devastate our patients, staff, and the communities we serve.

In December, in an effort to balance the state budget, the Governor significantly reduced funding that resulted in a nearly 25 million dollar cut to Bridgeport, Greenwich and Yale-New Haven Hospitals. As a result, we have to make some very difficult decisions.

In the proposal before you, the Governor is again seeking to balance his biennial budget on an industry that is not only a safety net for our most fragile citizens, but an economic engine in communities across the state. In the proposed budget, if adopted, Yale New Haven System Affiliates would lose an **additional 155 million dollars over the next two years—**

- $22.5 million from Bridgeport Hospital;
- $6 million from Greenwich Hospital; and
- nearly $127 million from Yale-New Haven Hospital, the State's largest Medicaid provider.

I am sure you understand that we will have no choice but to cut services and programs. Unfortunately, we'll have to look first at those programs and services that already lose money. More often than not, these are the ones that help the neediest in our communities. Currently, our hospitals are considering cuts in child, adolescent and adult outpatient mental health care, primary and specialty care, diabetes education and pulmonary rehabilitation. It is also certain that jobs will be affected since we are about people providing care to people, and our single largest cost is staffing. While we will make every effort to avoid layoffs, when positions become available, some will necessarily have to be eliminated. We will no longer be able to sustain annual job growth as we have in the past.

To further complicate matters, as you know, we are in the midst of major changes in healthcare. In addition to the significant proposed reduction in the Governor's budget, we are preparing for drastic federal cuts. This is happening at a time when implementation of the Affordable Care Act is seeking to increase access to health care. It simply makes no sense for folks to believe we will be able to meet the projected increase demand, or that there will no longer be uninsured people in Connecticut.

We must and will continue to focus on quality and patient safety initiatives, and efforts to improve care efficiency. We need our staff to keep their focus on patients, and not be distracted by worry that they will lose their jobs.

Our patients, staff and communities are relying on you.

Thank you for your consideration. I am happy to answer any questions you may have.