



**WATERBURY
HOSPITAL**

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**TESTIMONY OF
DARLENE STROMSTAD, PRESIDENT & CEO, WATERBURY HOSPITAL &
CARL SHERTER, MD, CHIEF OF THE MEDICAL STAFF, WATERBURY HOSPITAL
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 Darlene Stromstad, President & CEO of Waterbury Hospital. I am here today, with Dr. Carl Sherter, Chief of the Waterbury Hospital Medical Staff, 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.**

First let me state that for the first time in six years, Waterbury Hospital ended our last fiscal year in the black. During the previous six years, our organization lost \$42 million. Achieving a minimum of financial stability is the result of a lot of hard work, but mostly about very difficult decisions. Last spring, after all other discretionary spending cuts were completed, capital investments curtailed and benefits reduced for employees, we implemented a reduction in workforce that impacted five percent of our employees. In all, 100 jobs were impacted. In the community with the highest unemployment rate in the state, this was a very hard, but necessary decision. We needed the financial stability so we could continue our mission of providing healthcare to some of Connecticut's most vulnerable people.

During this time of healthcare reform, the board of directors and leadership of our medical community believe that we can best meet our mission for future generations through a partnership with another health system. We are actively engaged in the process of building that partnership with Vanguard Health Systems, a \$3 billion system which operates hospitals in six states. This relationship will give us new promise for a future of expanding services to meet our community's needs, investing much needed capital in our infrastructure and technology, strengthening our quality of care and our patients' experiences, retaining and attracting new physicians, and preparing for the new accountable care environment.

But, our hopes and optimism for the future were first dashed in December when Waterbury Hospital was hit with \$1.3 million in cuts from the state's Deficit Mitigation plan, implemented during the fiscal year we're now engaged in. In all, the proposed reduction in payments to Waterbury Hospital—from the mitigation plan and from the proposed state budget cuts—is \$11.3 million. These state cuts come on top of additional federal cuts and financial exposures from value-based purchasing, RAC audits, sequestration, the transition to ICD-10, and more. In fact, in FY2014, with the addition of cuts in our state funding, we are projecting \$12.6 million less in revenues for the same amount of work, at the same level of cost.

With all due respect to the Governor, I do understand the difficult decisions required to balance a budget. But it does appear that hospitals are being asked to bear far more of the budget burden. It may sound overdramatic to say that our very survival is at stake, but certainly an \$11.3 million cut in state funding to Waterbury Hospital would force us to take serious actions.

As we talk about dollars and cents and percentages, may we not lose sight of what's really at stake here; our patients. And in a community like Waterbury, we provide a tremendous safety net to our community's most vulnerable population: little kids, at-risk pregnant moms, a growing psychiatric population and the frail elderly.

At Waterbury Hospital, we are not socking away money for a rainy day. Like many of our patients, we live paycheck to paycheck, stretching a dollar to have the greatest impact that we can. Our doors are always open, even during record-setting blizzards such as the one that recently descended on our state. Our Emergency Department accepts anyone who comes through our doors with a health emergency, regardless of their ability to pay. It is difficult to place a dollar estimate on the human pain and suffering these cuts would have on our families, our patients, and our communities, but I invite any of you to spend a day with me at Waterbury Hospital to better understand the role we play in our community and in the lives of our patients.

With more than 2,000 people employed by the Greater Waterbury Health Network, we continue to be Waterbury's largest employer. Our community depends on us not only for healthcare, but for a significant contribution to the economy of our region. Thank you for your serious consideration.

Dr. Carl Sherter

I know, first hand, as a physician who has served this community for 30 years, just how important this hospital is to the health and well-being of the region. During my career I have spent countless hours with patients and their families who would not have had access to critical, life-saving care without Waterbury Hospital—without us, family after family, would needlessly have lost mothers, fathers, sisters, and brothers. In spite of the ever-changing healthcare environment over the last three decades, the one thing that hasn't changed at our hospital has been our commitment to providing the highest quality, most affordable care to everyone. I fear that cuts of this nature could gravely impact our ability to continue fulfilling this commitment, and could devastate this community's precious resource, Waterbury Hospital. Please don't let this happen on your watch.

Waterbury Hospital is joining our colleagues at hospitals across the state, our community members, our business community, and others who care about healthcare in Connecticut to adamantly and vocally oppose these cuts. We believe that Connecticut residents would be outraged if they realized the practical impact that cuts such as these would have on their ability to receive quality healthcare in times of sickness or medical emergency. The fiscal shortcomings of the state budget should not be corrected at the expense of our community's health.

We, respectfully, urge you to do everything in your power to prevent these cuts.

Our patients are relying on you. Our staff is relying on you. Our communities need you to protect hospital funding. As you develop your budget, please remember that our future is in your hands.

Thank you for your consideration.