

State of Connecticut

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Testimony for February 22, 2013 Appropriations Budget Hearing Re: Hospital Reimbursements

Good Evening Senator Harp, Representative Walker, Senator Hartley, Representative Flexer, Senator Kane and Representative Miner

I am Senator Jason Welch, representing the 31st Senate District, and I welcome the opportunity to testify before the Appropriations Committee regarding the Governor's Proposed Budget.

The proposed cuts to Hospitals are untenable and should be rejected:

1. These cuts will devastate community hospitals, which provide critical services to our communities and are often a region's largest employer. Hospitals have already reduced cost and maximized efficiencies. There is no more margin left within which they can work. If these cuts go forward, this budget will kill jobs.
2. These cuts are illogical. If the goal of the Governor's budget is to save the most money while causing the least pain, then these cuts make no sense. For every dollar cut a matching federal dollar is lost. Thus these cuts result in \$2 of pain for every \$1 of savings realized.
3. The MLIA transition does not make the hospitals whole. Both the MLIA and Medicaid populations have grown exponentially. As a result, Connecticut hospitals are losing more than \$1 million per day caring for these populations. The alleged windfall from the MLIA transition is a ruse.

If these cuts go forward, the administration and the legislature lose all credibility. Two years ago, the Governor, along with the legislature (over my objection), proposed the enacted hospital tax. Everyone was told that the tax would allow us to gain additional federal funds and to redistribute those funds and state dollars to the Hospitals that care for Medicare populations and need the money the most. Under this budget, the state takes those monies and spends portions of them for things other than hospital reimbursement and patient care.

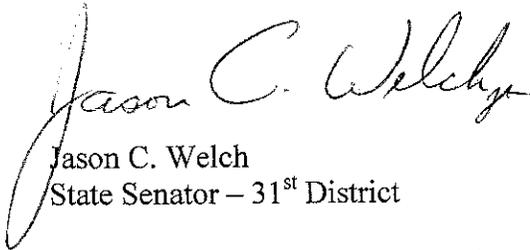
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Like the gas tax, lottery and casino revenues, under this budget the hospital tax becomes another example of this institution's inability to keep its promises and honor the values we claim to espouse: effective transportation, solid education and public health.

These cuts ought to be rejected. Thank you for your time.

A handwritten signature in cursive script that reads "Jason C. Welch". The signature is written in dark ink and is positioned above the printed name and title.

Jason C. Welch
State Senator – 31st District