STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE PUBLIC HEALTH COMMITTEE
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Testimony Supporting Senate Bill No. 848

AN ACT IMPLEMENTING PROVISIONS OF THE BUDGET CONCERNING PUBLIC HEALTH

Senator Gerratana, Representative Johnson and distinguished members of the Public Health Committee, thank you for the opportunity to offer written testimony on Senate Bill 848, An Act Implementing Provisions of the Budget Concerning Public Health.

I would like to highlight two critical sections of the bill:

Section 6 refines the current Certificate of Need (CON) guidelines by requiring the Office of Health Care Access (OHCA) to make findings on the impact of the proposal on access to services for Medicaid recipients and other indigent individuals and on Medicaid program costs. With the state's expansion of Medicaid eligibility under the federal Affordable Care Act next year, it is important for us to assure access to quality and cost effective health care for this population. The changes in this section will significantly further the state's ability to maintain a robust network of health care providers and assist in managing Medicaid program costs. Specifically, this section of the bill adds criteria to the CON deliberation process. When considering how a proposal will affect quality and cost effectiveness of health care delivery in the region, the OHCA would consider:

- the impact of the proposal on access to services for Medicaid or indigent individuals;
- the impact of the proposal on the cost effectiveness of providing access to services under the Medicaid program; and
- whether an applicant, who has failed to provide or reduced access to services for Medicaid or indigent individuals, has demonstrated good cause for doing so (good cause cannot be established solely on the basis of differences in reimbursement rates between Medicaid and other health care payers).

Section 8 provides discretion to the Chief Medical Examiner to request a waiver from the Office of Policy and Management for the $150 cremation certificate fee, so the costs will not be passed along to decedents' families. This issue was raised when six victims of the Newtown tragedy were cremated and the state did not have the legal discretion to waive the fee. This section will ensure that decedents' families from this and other tragedies do not receive bills from the state for a cremation certificate.

This bill also makes the following changes necessary to implement the Governor's proposed budget:

Section 1 makes DPH's regulatory fee structure more equitable by (a) instituting licensure fees for entities for which no fee is currently collected (home health care agencies, assisted living agencies), and (b) adjusting the technical assistance fee paid by healthcare institutions undertaking major construction/renovation activities to reflect the additional workload the department incurs when providing assistance to large projects. This section results in minimal revenues to the state, estimated at approximately $80,000 annually.

I respectfully request your assistance in revising subsection (f) of Section 1 to clarify that state agencies are not to be subjected to the technical assistance fee by adding the following sentence. *For purposes of this subsection, an institution shall not include an institution operated and maintained by a state agency.*

Section 2 requires doctors, dentists and nurses to utilize the state's electronic licensure (eLicense) system when renewing their licenses. This will enhance the state's healthcare workforce planning efforts, because it will allow for significantly more information to be collected and captured electronically, thus making comprehensive data analysis feasible. Minimal savings are reflected under the DPH's proposed budget, as it will no longer incur related postage and bank processing charges.

Because the state assumes credit card transaction charges when licenses are paid on-line, a revenue loss will be experienced by the state. A $5 renewal fee increase is proposed for these professionals to offset the revenue loss.

Section 3 reflects the challenging fiscal situation facing the state. It removes statutory language associated with a significant program expansion that was first budgeted in FY 2013. A budget reduction of $2.4 million in each year of the biennium is proposed to reflect elimination of funding for twenty new or expanded school based health clinics in alliance school districts.

Section 4 authorizes the Commissioner of Public Health to establish an equitable distribution formula for state grants to community health centers. This will promote the best use of limited state resources, because a center's grant will be

based on indicators of relative need and public health benefit. Current annual awards vary significantly by center - from approximately $90,000 to $825,000.

Section 5 incorporates reasonable expenses associated with administering the state childhood vaccine distribution program within the basis of the industry assessment that funds this important program. The proposed budget includes three additional positions to effectively serve the healthcare community following implementation of universal provider participation on 1/1/13. Full participation promotes improved vaccination rates, lowered overall healthcare system costs, and improved reporting and surveillance of vaccination rates. To date, universal participation has increased the number of healthcare providers receiving state supplied childhood vaccines from 630 to 713.

Finally, **Section 7** will advance community participation in the development of community benefits programs by non-profit hospitals. These hospitals must provide community benefits in order to retain their tax exempt status. Additionally, the federal Patient Protection and Affordable Care Act (PPACA) requires that a community health needs assessment be conducted by a non-profit hospital at least every three years. The bill will require the widespread distribution of a community benefit implementation strategy within one year of completion of a needs assessment. Such strategy is to be developed in consultation with community stakeholders, local public health jurisdictions and others at a hospital's discretion. Related protocols set forth within this section will promote the delivery of effective public health services that address each community's unique needs.

I would like to again thank the committee for the opportunity to present this written testimony. I respectfully request that the Committee take favorable action on this bill and I or my staff will be happy to answer any questions you may have about it.