



TESTIMONY OF  
GRIFFIN HOSPITAL  
SUBMITTED TO THE  
APPROPRIATIONS COMMITTEE  
Friday, February 14, 2014

HB 5030, An Act Making Adjustments To State Expenditures For The  
Fiscal Year Ending June 30, 2015

Griffin Hospital appreciates the opportunity to submit testimony concerning HB 5030, *An Act Making Adjustments To State Expenditures For The Fiscal Year Ending June 30, 2015*. Since the passage of the biennium budget this past May, CHA and its members have been working with the Office of Policy and Management (OPM) and the Department of Social Services (DSS) to develop a new payment framework for acute care hospitals that provides stable and predictable payments to hospitals while improving care and controlling costs. Our mutual goal has been to develop and implement that framework by July 1, 2014.

Griffin Hospital suffered from last year's budget actions, which imposed a tax of \$336 million on hospitals over the biennium. However, we've done extraordinary things to minimize the impact to patient care, including the successful implementation of a hospital-wide cost reduction and efficiency improvement effort we began in 2012. Fortunately for the hospital, and more importantly, our patients, this effort helped us reduce labor expense without resorting to a layoff while maintaining our high standards of quality, safety, and patient satisfaction. The other mitigating factor was the \$946,602 Value Hospital Budget Provision, which helped Griffin and a number of other low-cost hospitals with below average Medicaid payment rates weather the effects of the state's 2014 budget reductions and remain viable.

Unfortunately, some of our neighboring hospitals were unable to avoid significant reductions in force. In the last year, Connecticut hospitals have eliminated more than 1,400 jobs, reduced staff salaries and benefits, reduced some services, and postponed investments in technology and infrastructure. This is having a negative effect on the state economy. But we are hopeful that we can improve the situation as well as the quality of care by redesigning the Medicaid program with a keen focus on patients and improving the care they count on.

CHA is proposing a plan that aligns with the state's healthcare reform agenda; builds upon the existing Medicaid FFS payment system; focuses on programs to improve access to appropriate care thereby reducing disparities and improving population health; uses quality metrics to track and reward improved clinical quality and patient safety; and invests in hospitals that commit to achieving the goals of healthcare reform.

Griffin Hospital has always been committed to providing effective, efficient and safe patient centered care. In addition to upgrading technology and infrastructure, we recently began training our entire workforce in high reliability science, which is employed by the aerospace and nuclear energy industries to improve both safety and operational performance. While this requires a considerable investment of time and financial resources, it is an investment we feel obligated to make in the interest of our patients and our caregivers.

Investing in better care for the people of Connecticut is also good investment for the state. CHA is proposing a series of incentives that are tied to producing results. The incentives would be sourced by a \$30 million appropriation of state funds, which would be matched by \$70 million in federal funds. Payout from the incentive pool would be conditioned on achieving results.

CHA's plan would improve people's lives. We are ready to put the plan in place effective July 1, 2014. Please vote to modify the budget to include the investment dollars necessary to make it happen.

Thank you for your consideration of our position.