CONNECTICUT HOSPITAL ASSOCIATION

TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
LABOR AND PUBLIC HEALTH COMMITTEE
Thursday, February 27, 2014

HB 5257, An Act Concerning Hospital Employees And Hospital Conversions

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5257, An Act Concerning Hospital Employees And Hospital Conversions**. CHA opposes the bill as written.

Before outlining our concerns, it's important to detail the critical role hospitals play in the health and quality of life of our communities. All of our lives have, in some way, been touched by a hospital: through the birth of a child, a life saved by prompt action in an emergency room, or the compassionate end-of-life care for someone we love. Or perhaps our son, daughter, husband, wife, or friend works for, or is a volunteer at, a Connecticut hospital.

Hospitals treat everyone who comes through their doors 24 hours a day, regardless of ability to pay. In 2012, Connecticut hospitals provided nearly $225 million in free services for those who could not afford to pay.

Connecticut hospitals are committed to initiatives that improve access to safe, equitable, high-quality care. They are ensuring that safety is reinforced as the most important focus—the foundation on which all hospital work is done. Connecticut hospitals launched the first statewide initiative in the country to become high reliability organizations, creating cultures with a relentless focus on safety and a goal to eliminate all preventable harm. Providing culturally competent care, eliminating disparities, and achieving health equity are also priorities of Connecticut hospitals. The CHA Diversity Collaborative, a first-in-the-nation program to achieve these goals, has been recognized as a national model.

HB 5257 requires that, prior to undergoing a conversion, the not-for-profit hospital and the person or persons seeking to purchase the hospital enter into a written memorandum of understanding to: (1) maintain the current rates of pay and benefits of all employees, (2) recognize any labor organizations representing employees, (3) honor any collective bargaining agreements, (4) maintain staffing levels at the time of conversion for not less than three years, and (5) follow best practices for staffing levels to assure patient care and safety. In addition, it requires the city or town in which the not-for-profit hospital is located to hold not less than three public hearings and provide a five-year strategic plan to the Department of Public Health

and the Labor Department detailing how employment may be affected by decisions to grow or reduce healthcare services at the hospital.

These new regulatory requirements come at a time when the Patient Protection and Affordable Care Act (PPACA) provides for what can only be described as one of the most significant overhauls of the country's healthcare system. Its goals – to expand health coverage, control healthcare costs, and improve the healthcare delivery system and the quality of care provided – necessitate fundamental, structural changes in how healthcare services are delivered at every level, including at hospitals here in Connecticut. It is not yet entirely clear what the structure will look like when all the changes are fully implemented, but one thing is clear – it will look drastically different than what we see today.

One of the most significant changes brought by healthcare reform is a shift in the way for which care is paid – from paying for the volume of services provided by hospitals and other healthcare providers to paying for the value of the outcome and the quality of care provided. Connecticut hospitals have always been dedicated to providing the best quality care to patients, and that focus is now closely aligned with the healthcare reform objective of improving care quality and accountability.

Also, hospitals are shifting their focus from a payment system that rewarded longer hospital stays to one that focuses on providing care in the most appropriate setting. To that end, hospitals are working hard to integrate and coordinate care with providers across the continuum. These changes require hospitals to rethink on a daily basis how they provide care and how they will be reimbursed for the care they are providing.

At a time when the entire healthcare system, and especially hospitals, are undergoing unprecedented change, adding additional regulatory mandates impedes the ability to improve and adapt to this rapidly changing environment. Hospitals need to be able to appropriately manage resources to meet ever-changing patient care needs. HB 5257 imposes regulatory burdens that would freeze in time a regulatory oversight scheme that may quickly inhibit innovation and the adoption of improved care models that would benefit patients.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.