

BRISTOL HOSPITAL

everyday extraordinary

**TESTIMONY OF
GEORGE EIGHMY, CPA, FHFMA
VICE PRESIDENT OF FINANCE AND CHIEF FINANCIAL OFFICER
BRISTOL HOSPITAL AND HEALTH GROUP, INC.
BEFORE THE
LABOR AND PUBLIC EMPLOYEES COMMITTEE
Tuesday, February 18, 2014
SB 61, An Act Concerning Workers' Compensation and Liability
For Hospital Services**

SB 61 should be rejected for several reasons.

First, if passed, SB 61 would interfere with the orderly resolution of disputes currently pending before the Connecticut Supreme Court. At issue in the pending disputes is the refusal of a small number of workers' compensation insurers to negotiate rates and methods of reimbursement with hospitals as required by Connecticut General Statutes Section 19a-166; this minority of insurers prefer a system by which they decide, claim by claim, what they are going to pay, and hospitals are left to appeal, claim by claim, if they don't agree.

Second, the amount proposed as payment for hospital services prior to adoption of a fee schedule is wholly inadequate. Operating expense plus the cost of uncompensated care of \$3.4 million (3%) would not provide enough to cover all incurred costs – it would exclude: the annual \$3 million hospital tax (2.9%), the annual \$7 million Medicaid payment shortfall (5.5%), and the annual \$7 million Medicare shortfall (5.5%).

Any solution to the current situation has to recognize the need for a hospital to be compensated sufficiently to cover all of these costs. We are ready and willing to work on solutions and look forward to the opportunity to do so. Bristol Hospital is willing to negotiate with workers compensation carriers to establish a fee schedule or predetermined rate for services provided. However, request a transition period go from the current effective rates to levels on par with other commercial plans.

We appreciate your consideration of our position.