



WATERBURY HOSPITAL

TESTIMONY OF
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SUBMITTED TO THE
HUMAN SERVICES COMMITTEE
Tuesday, March 11, 2014

SB 407, An Act Concerning A Hospital Quality Of Care Initiative

Waterbury Hospital appreciates the opportunity to submit testimony in support of *SB 407, An Act Concerning A Hospital Quality Of Care Initiative*. We believe that this proposed legislation will help to move toward the healthcare reform objective of improving care quality and accountability, and enable the shift from payment for the volume of services provided to payment for value – focusing on the outcomes and quality of care people receive.

This legislation is necessary to begin the reform of the Medicaid payment system by rewarding hospitals for achieving quality objectives and investing in the infrastructure to make care more effective, as well as for participating in programs to improve outcomes and share data. It's important to point out, however, that the focus on quality and patient safety is not something that is new to hospitals. In fact, Waterbury Hospital has focused on building and embedding a culture of safety and quality for several years. One of our major initiatives was the creation of safety culture teams, which engage every staff member in our organization in the goal of improving performance outcomes, quality and safety. These teams work collaboratively to identify and address potential issues—the initiatives they design become part of our annual safety plan.

Our annual performance improvement and safety plan, which is overseen directly by our Board of Directors, sets specific goals to improve patient safety and outcomes. These measurable goals are the result of analysis and trending to identify opportunities for improvement. Like many members of the Connecticut Hospital Association, we have chosen to become a High Reliability Organization. We have established daily safety huddles, improved communication around patient handoffs by hardwiring our processes and are working collaboratively with other healthcare providers and organizations to decrease unnecessary readmission rates by actively coordinating care.

In addition to the infrastructure and initiatives we have been building for quality and safety, which help to lay the foundation for value-based purchasing, Waterbury Hospital is engaged in a communitywide effort to improve the health of the communities we serve. Through the Greater Waterbury Health Improvement Partnership, we have conducted a community health needs assessment to identify our community's healthcare needs and are prioritizing initiatives to meet

those needs. This is yet another example of how we are preparing to better manage the health of the populations we serve.

Another critical partnership for population health management and value-based purchasing is the State of Connecticut. As both a payer of service and insurer of state employees, we believe there is an aligned goal with the State to improve outcomes while decreasing unnecessary healthcare expenses. Thus, we believe that the state and hospitals should share both upside and downside risk of initiatives to transform healthcare.

Every day at Waterbury Hospital, we are mindful of our promise to our patients—to keep them at the center of everything we do in spite of any distractions, and as you probably know, in Waterbury, CT, we have many. We are proud of the care we provide and were delighted by the recent announcement that Waterbury Hospital is the only hospital in Connecticut—and one of 260 hospitals nationwide—to receive the 2014 Distinguished Hospital Award for Clinical Excellence™ from the nationally recognized Healthgrades. The distinction places Waterbury Hospital in the top 5% of more than 4,500 hospitals nationwide for our clinical performance. And, according to Healthgrades, hospitals that achieve the Clinical Excellence Award have embedded quality into their culture.

In addition to the Distinguished Hospital Award for Clinical Excellence, Waterbury Hospital was named one of Healthgrades America's 100 Best Hospitals for Critical Care in 2014. This is the second year in a row that Waterbury Hospital has received Healthgrades Critical Care Excellence Award.

We remain steadfast in our commitment to supporting the objectives of healthcare reform - improved efficiency and decreased cost. That's why Waterbury Hospital supports SB 407 and has been working diligently with the Connecticut Hospital Association (CHA) and other hospitals across the state to find solutions to address the inequities in the current payment structure for healthcare, particularly the state's Medicaid program. I am chairing a CHA Committee that has been responsible for helping to develop this proposed legislation to update Medicaid to a value-based system. Through this committee, we aim to work with the state to create and achieve consensus on a workable, meaningful, sustainable plan for Medicaid payment reform, which is something that neither the state nor the hospitals can do without the other.

The work of this committee is part of the overall Medicaid plan developed by CHA and its members. This plan, in its broadest terms, seeks to align with the state's health reform agenda; build upon the existing Medicaid fee-for-service payment system; focus on programs to improve access to appropriate care, thereby reducing disparities and improving population health. Our goal, as detailed in SB 407, is to use quality metrics to track and reward change; and invest in hospitals that achieve the shared vision.

SB 407, which is reflective of the work done by the CHA committee, proposes a series of incentives that are tied to producing strengthened results for patients and communities. 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 conditional on achieving results that improve healthcare outcomes and enhance quality and patient safety. Given the state's current budget surplus, an investment of \$30 million seems like a small price to pay to ensure that high quality, affordable, and sustainable healthcare services are available for all Connecticut residents.

Support for SB 407 would be one more step toward moving the Medicaid system toward the goals of health reform.

On behalf of the patients and communities we serve, and the 2,000 employees at Waterbury Hospital, thank you for your consideration of our position.