CONNECTICUT HOSPITAL ASSOCIATION

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

SB 410, An Act Concerning Administrative Hearings Conducted By The Department of Social Services

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 410, An Act Concerning Administrative Hearings Conducted By The Department Of Social Services.** CHA opposes this bill.

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. This program is saving lives.

While CHA has no objections to the procedural changes set forth in Sections 1 and 2 of the bill, we have grave concerns about the potential adverse impact of Section 3 on hospitals.

Section 3 of the bill will unduly limit the right of a hospital to request an administrative hearing to only those decisions pertaining to a payment rate, rather than to any decision issued by the Commissioner, which has been a right available to hospitals for decades. CHA strenuously objects to this proposed change, since it will eliminate judicial review of decisions that are injurious to the hospital.

Limiting the scope of aggrievement in this manner will jeopardize the due process rights of hospitals. It will summarily eliminate a hospital's right to seek administrative redress for other legitimate items of aggrievement. For example, in the past year hospitals appealed a proposed change in payment methodology for ambulatory surgery services. The proposed change would have reduced funding by about $60 million per year. Upon receipt of the appeals, the Department decided to withdraw the proposal. Hospitals also appealed the Department's failure to update and issue inpatient rates. The current inpatient rates expired on 9/30/12. On October 1, 2013, the hospitals filed appeals asking for the rates to be issued and updated for inflation as required. Hospitals also often have to appeal audit findings. Arbitrarily eliminating an administrative remedy that has been available for decades removes a significant backstop to decisions which otherwise would proceed regardless of the consequences. For these reasons, we ask you to oppose this bill.

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