



**TESTIMONY OF
GRIFFIN HOSPITAL
SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
Friday, February 27, 2015**

HB 6824, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2017, And Making Appropriations Therefor And Other Provisions Related To Revenue

Griffin Hospital appreciates the opportunity to submit testimony concerning **HB 6824, An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2017, And Making Appropriations Therefor And Other Provisions Related To Revenue**. This bill would reduce Medicaid reimbursement rates, expand the hospital tax, and add new regulatory burdens. It is focused on short-term budget fixes, when what we need is a long-term plan for hospital sustainability in Connecticut. For those reasons, Griffin Hospital opposes this bill.

Griffin Hospital serves nearly 7,000 inpatients and more than 190,000 outpatients each year, including nearly 40,000 emergency room visits. We employ 1,308 people, including 300 nurses, and have more than 350 members of our medical staff. We are also a teaching facility where medical students from the Yale University and Quinnipiac medical schools receive their residency training. Beyond the lifesaving care we provide 24 hours a day, Griffin Hospital had a direct economic impact on our community of more than \$260 million, and we invest more than \$9 million in community benefit-related activities that improve the health and well being of our community. These include the aforementioned medical education programs, and providing opportunities for nursing and allied health students from area schools to gain clinical experience. This is critical to our state's efforts to ensure that we have an adequate, well-trained supply of healthcare workers for the future.

Griffin Hospital is focused on providing safe, accessible, equitable, affordable, patient-centered care for everyone who walks through our doors. We are finding innovative solutions to integrate and coordinate care to better serve our patients and communities. But this job is much harder because we are under significant financial stress. In addition to government underfunding, we are a tax-exempt hospital that pays more than \$1 million each year because of the provider tax. That's money that represents a significant percentage of our average overall annual operating margin.

The Governor's proposed budget would expand the hospital tax to \$514.4 million each year, cut Medicaid rates, and eliminate the low-cost hospital pool for FY 2016 and 2017. It would

not distribute enhanced revenue on hospital supplemental payments due for FY 2014 and 2015, and would eliminate payments in the future. It would also limit the use of tax credits for businesses and hospitals.

The increased tax liability proposed in the Governor's budget, combined with the elimination of the low-cost hospital pool and other reductions in state reimbursement for care provided to Medicaid and SAGA patients, would mean Griffin will lose more than \$4.5 in revenue over the biennium. That is money that could have otherwise been invested in making needed improvements to our infrastructure and technology, maintaining vital services and programs to meet the needs of our community, and ensuring that we have the staffing needed to provide those services. Instead, we will be faced with increasingly difficult decisions about what and where to cut, understanding that those cuts will impact our patients' access to services, and affect employment and the economic benefit we provide to our community.

In short, this budget would add even more financial pressure at a time when we need relief. We know the state is facing a challenging budget, but hospitals have already been cut and taxed so significantly that it is hurting patient care, access, jobs, and our economy.

Added to these very serious budget concerns are a number of challenging regulatory issues we face this session that would burden and constrain our hospital, impeding our ability to move care forward in line with the expectations set forth by federal healthcare reform.

Our community members need their hospital to be there to protect them when they have an emergency. We need a sustainable healthcare environment in our state, not more cuts and taxes. Vote "No" on the hospital cuts and taxes contained in HB 6824. Thank you for your consideration of our position.