



**TESTIMONY OF  
St. Vincent's Medical Center  
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**

Good evening and thank you for the opportunity to speak with you on behalf of St. Vincent's Medical Center, our patients, our associates, medical staff and our community about the impact that the Governor's proposed state budget will have on our hospital and our community.

My name is Dr. Stuart Marcus, and I serve as the CEO of St. Vincent's Medical Center and Health Services, in Bridgeport.

Let me begin by stating that St. Vincent's Medical Center strongly opposes **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 reduces Medicaid reimbursement rates, expands the hospital tax, and adds 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. Hospitals in Connecticut have already sustained more than \$550 million in indiscriminate cuts from the last budget. Rather than imposing random cuts with the misguided hope that quality care may miraculously result, we should instead be focused on a thoughtful strategy that embraces innovation to advance the triple aim: improve the health of Connecticut's population, improve the manner in which Connecticut residents experience care while reducing the per capita cost of healthcare.

For more than 112 years, St. Vincent's has served the Greater Bridgeport community. We are the largest employer in the City of Bridgeport with more than 3,500 associates, including our medical staff. In 2013, St. Vincent's total direct economic impact on our community was greater than \$900 million. These cuts will significantly impact the "ripple effect" that staff salaries, facility construction and purchases of supplies and food have on our economy.

We are a safety net hospital, and last year, delivered more than \$56 million in community benefit. For St. Vincent's, the last Connecticut state budget cycle resulted in a \$22 million impact leading us to close a school serving at risk troubled youth on our Behavioral Health campus, a workforce reduction and no pay raises with a loss of benefits for those fortunate



enough to keep their jobs. The cuts in this proposed budget will further damage our ability to serve those most vulnerable and needy, which is the very reason St. Vincent's exists.

The Governor's proposed budget expands the hospital tax to \$514.4 million each year, cuts Medicaid rates, and eliminates 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 eliminates payments in the future. It would limit the use of tax credits for businesses and hospitals. For St. Vincent's, we are estimating another \$25M impact over the 2 year period, putting us at an operating loss.

The future of healthcare is about keeping our communities well, not only treating disease but actually helping to prevent it. The future is about keeping healthcare costs down and we must find ways to deliver on this future. Funding that we would invest in finding innovative solutions to coordinate care to better serve our patients and communities will not be available to us because of these expanded cuts. At St. Vincent's, instead of focusing on electronic health record connectivity to improve care coordination, we will be struggling to maintain adequate levels of staff for basic patient care. Instead of investing in programs that will serve the increasing number of seniors in our community, we will be spending our time figuring out which programs to close down. Instead of expanding access as called for by healthcare reform, we will hurt those who need us most – the uninsured and underinsured.

In the limited time I have, I can't begin to adequately detail how much more devastating these additional cuts would be – to St. Vincent's, the residents who rely on us, our associates and to our economy. What I can tell you is that this budget will add even more financial pressure at a time when we need relief. We know the state is facing a challenging budget, but we 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 St. Vincent's, also impeding our ability to move care forward in line with the expectations set forth by federal healthcare reform.

Our patients, families, staff and businesses we support in our community are relying on you. Your constituents call upon you to protect hospital funding and ensure that their healthcare system will be there to maintain their health, not only when the unexpected happens but also to prevent the unexpected. We need a sustainable, innovative healthcare environment in Connecticut. Our entire leadership team and associates at St. Vincent's Medical Center urge you to vote "No" on the hospital cuts and taxes contained in HB 6824.

Thank you for your consideration of our position.