



**TESTIMONY OF
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Director, Community Benefit
Middlesex 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**

Members of the Appropriations Committee – my name is Catherine Rees, Director of Community Benefit at Middlesex Hospital, and I thank you for the opportunity to present testimony in opposition to HB 6824.

The implementation of HB 6824 – which would further reduce Medicaid reimbursement rates, expand the hospital tax, and add new regulatory burdens – will have profoundly adverse consequences for Connecticut hospitals and the communities they serve, namely as it comes on the heels of a series of previously imposed cuts and tax expansions.

The Governor’s budget proposal would expand the hospital tax to \$514.4 million per year and impose Medicaid rate cuts of \$225 million over the course of the biennium. For Middlesex Hospital, the total cuts – not including tax expansions - would be a \$5.8 million loss in addition to previous significant reimbursement reduction and taxations.

But what does this mean in practical terms? How will this impact Connecticut hospitals’ abilities to live our missions and fundamental purposes of improving the health and well-being of the communities we serve? The reality – and one that is important for the Appropriations Committee to be fully cognizant of – is that our vulnerable citizens will bear the brunt and will suffer. In order to offset the proposed taxation and cuts, hospitals will be forced to make hard decisions regarding continuing support for certain community benefit programs, those designed to help our communities’ most marginalized. The result? Detrimental health status and negative quality of life consequences for those who rely on our low or no-margin services.

Middlesex Hospital subscribes to the foundational beliefs of community benefit, programs that, among other criteria, generate low or negative margins and respond to needs of special populations – with an emphasis placed on vulnerable, disadvantaged individuals. In FY13, Middlesex Hospital’s total community benefit was \$52.5 million (83,485 served), of which \$20.6M was Medicaid shortfall (16,485 served). To give context behind the kinds of programs that meet community benefit standards, in FY13, our Behavioral Health subsidy was \$9.3 million (2,273 served) and our Family Medicine subsidy was \$1.9 million (9,803 served).

How will we absorb the Governor's proposal that will place additional undue financial stress on Connecticut hospitals? Do we reduce capacity in our behavioral health programs? Do we accept fewer family practice patients? Do we have to lay off staff? Do we tell parents of a troubled teen they must wait for services due to staffing reductions? Do we stop offering support groups and essential community health education and promote a strict productivity model? Access to care will be jeopardized.

This budget proposal is a short-term fix that will, in actuality, increase future costs to the system in direct correlation to reduced access. If vulnerable citizens cannot get their health needs met via appropriate outpatient services, costly emergency department utilization will increase.

We invite the members of the Appropriations Committee to learn more about the essential and substantial low/no margin hospital community benefit programs in our communities – ones that provide safety-net services for those who struggle the most – and the implications of the Governor's proposals.

For these reasons, we ask you to vote "No" on the hospital cuts and taxes contained in HB 6824. Thank you for your consideration of our position.