



**TESTIMONY OF
GRIFFIN HOSPITAL
SUBMITTED TO THE
HUMAN SERVICES COMMITTEE
Tuesday, March 8, 2016**

**HB 5588, An Act Concerning The Timing of Payments From Supplemental Inpatient
Payment Pools For Short-Term General Hospitals**

Griffin Hospital appreciates the opportunity to submit testimony concerning **HB 5588, An Act Concerning The Timing of Payments From Supplemental Inpatient Payment Pools For Short-Term General Hospitals.**

On March 2, hospitals received notice that Secretary of the Office of Policy and Management Benjamin Barnes ordered the Department of Social Services (DSS) to "hold on making any additional supplemental payments through either the inpatient supplemental pool or the small hospital pool." In addition, Secretary Barnes stated that he was "not optimistic that we will be able to move forward with any further state payments this fiscal year."

HB 5588 would require DSS make timely and adequate payments to hospitals from supplemental inpatient payment pools and to require that the money in the payment pools not be used for any other purpose.

Griffin Hospital serves more than 6,800 inpatients and 184,000 outpatients each year. We employ 1,384 people, and have a medical staff of more than 330 physicians serving our community. Beyond the lifesaving care we provide 24 hours a day, we contribute more than \$255 million to our local and state economies each year and invest \$18.5 million in improving the health of our community.

Griffin Hospital provides core healthcare services to all those who choose Griffin for their care, 24 hours a day, regardless of ability to pay. We offer safe, accessible, equitable, affordable, patient-centered care that protects and improves peoples' lives.

But this job is much harder because we are under significant financial stress. For the past two years, despite achieving gains from hospital operations, the aggregate performance of the hospital and related companies resulted in a large portion of those gains offset by losses in Griffin Faculty Physicians (GFP), our employed physician organization.

GFP employs not only Griffin's hospitalists and physician assistants, but also approximately 70% of community-based primary care and specialist physicians who collectively help ensure access to care in our community. How? By accepting Medicare and Medicaid as well as all major insurance plans at a time when declining reimbursements by Medicare and Medicaid have resulted in many private physicians across our state (and across the nation) no longer accepting new patients covered by these government programs.

Without hospital-sponsored organizations like GFP, many patients in our community would have little or no access to primary or specialist care other than our emergency department. As we all know, emergency department care comes at a much higher cost, and often at a later stage of illness, than if the patient was seen in the community. So, in effect, GFP physicians not only ensure access, but also help control the overall cost of care.

Adding to this financial strain has been the hospital tax burden incurred during the same time period. Over the past two years, Griffin Hospital has paid \$12 million in hospital taxes to the state, receiving back less and less of that amount each time the state finds itself in fiscal crisis. Further amplifying this provider tax burden in the current state fiscal year is the fact that, through the end of January, Griffin and other Connecticut Hospitals paid approximately \$280,000,000 in tax payments and should have received \$125,000,000 in supplemental and small hospital pool payments by now. Unfortunately, only \$19,000,000 has been paid to date, which puts a number of both small and large hospitals in financial jeopardy.

Specifically, Griffin Hospital paid \$5,687,829 in taxes through January 31, 2016. Supplemental and Small Hospital Pool payments owed to the hospital through March 31, 2016 are \$3,539,899. To date the Griffin Hospital has received payments of only \$600,545. This payment shortfall has resulted in a halting of a multiphase construction project that will cause considerable operational disruption and increased project cost. It is also putting a refinancing of the hospital's long term debt, designed to capitalize on the current low interest rate environment, at risk by raising questions about the reliability of the hospital's revenue stream and therefore the hospital's creditworthiness.

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 state and local economies.

Please support HB 5588. Thank you for your consideration of our position.