

**Robert Smanik – Day Kimball Healthcare**  
**Testimony Legislative Bill 49**  
**Friday, February 26, 2016**

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My name is Bob Smanik, President of Day Kimball Healthcare. Thank you for the opportunity to speak with you today.

I would like to thank Senator Flexer, and Representatives Randall and Rovero for their leadership in introducing Bill 49, an act concerning an exemption from the hospital tax for hospitals in the small hospital pool

Your support of Bill 49 is critical to maintaining the provision of essential health care services to the northeast corner of our state. Connecticut's hospital tax program as well as continued cuts to Medicaid reimbursement rates in recent years has presented a severe challenge to Day Kimball financially as well as to our ability to recruit and retain physicians. The end result is a significant threat to the health of Northeast Connecticut, as our financial strain combined with a growing shortage of physicians leads to the inability to continue providing some essential health care services to the communities we serve.

Northeast Connecticut is a rural area with some of the most significant economic and social challenges in the state. It has been identified as containing three of Connecticut's top 20 economically distressed communities (Putnam, Plainfield and Killingly). As such, it is an area where the need for care is great, as is utilization of the Medicaid program. These taxes and cuts are essentially penalizing us for providing care to a population that needs it most.

In the all-important federal recognition for healthcare assistance we do not qualify for rural programs, sole community hospital status or critical access hospital status, yet we are the sole hospital in the northeast corner of our state, serving over 90,000 people across 450 square miles of area that lacks sufficient public transportation. There are many in our communities who struggle to make it across town to keep their health care appointments. If we can no longer provide essential services like maternity care, requiring these same residents to travel upwards of 40 minutes for their care, what will happen? Chances are good they will simply go without, resulting in a significant decline in health and subsequent significant increase in cost to the system.

Day Kimball has long ago recognized its role in serving the community by meeting its core healthcare needs - primary care, front line emergency services, core specialty services and home and outreach services - versus the pursuit of sub-specialty procedure-driven services. Over three quarters of our patient service is through out-patient, ambulatory and in home services; only one quarter is inpatient care.

The region's medical community has been uniquely supportive of its community hospital. We are a region that does not see entrepreneurial competition of services and thus a region that has preserved access to care far more broadly than most other regions. Quite frankly such integration of services has not resulted in raised prices as we do not have the size to garner the attention of commercial insurers but as a nonprofit community resource we have maintained broad access to care.

Over 20 years ago Day Kimball stepped forward to employ the areas pediatricians in order to ensure they could remain in our community and keep access open to the large number of children here covered under Medicaid. Again, 12 to 15 years ago Day Kimball began to employ obstetricians in order to keep access open for all women including the large number covered under the Medicaid program. Seven years ago Day Kimball began to offer employment to physicians in other fields in the community as well, again in order to maintain their presence and connect their offices electronically to the healthcare system. In addition to securing access in all areas of primary care, general surgery, pulmonary and dermatology we have moved to implement the Patient centered medical home model of care delivery. All made possible because of the close working relationship we have in our community.

The legislature's support of the small hospital pool has been a vital offset to the cuts Day Kimball has faced but unfortunately it is not enough. Despite reducing our work force by more than 100 positions, requiring our employees to pay more for their benefits and reducing other benefits, and despite receiving numerous quality and utilization recognitions, Day Kimball has suffered significant losses over the last three years. These losses have restricted our financial capacity to respond to the demands of the changing healthcare environment and are now threatening sustainability of even those core services that we have worked to preserve.

I have testified in earlier hearings at the appropriations committee that Day Kimball's maternity service is at risk of closing. Core specialty coverage provided through UMass Memorial Medical Center in the fields of neurology, rheumatology and endocrinology have now also been lost to the region, as UMass has discontinued that partnership due to a lack of physicians in their own service area. As our existing physicians reach retirement age our community struggles to attract and retain replacements.

Day Kimball has been highly regarded in its delivery of services to all residents in Northeast Connecticut, and our efficiency and effectiveness in caring for those covered under the Medicaid program in particular. Yet, per the formulas utilized in the determination of a distressed hospital Day Kimball has not been recognized and thus exempted from the state hospital tax. In the midst of the incredible forces working their way through our state's healthcare environment I urge you to pass Bill 49 helping to ensure the ongoing availability of essential care services to the people of Northeast Connecticut.