WRITTEN TESTIMONY OF SARA CHURCH, BS, BSN, MSN, CNM  
CERTIFIED NURSE MID-WIFE  
NORWALK HOSPITAL/WESTERN CONNECTICUT HEALTH NETWORK  
TESTIMONY TO THE APPROPRIATIONS COMMITTEE  
Tuesday, March 5, 2019

HB 7148, An Act Concerning The State Budget For The Biennium Ending June Thirtieth, 2021, And Making Appropriations Therefor

Chairs and members of the Appropriations Committee, I am Sara Church, a Certified Midwife at Norwalk Hospital – a member hospital of the Western CT Health Network (WCHN). I am writing to ask you to oppose HB 7148, An Act Concerning The State Budget For The Biennium Ending June Thirtieth, 2021, And Making Appropriations Therefor. WCHN opposes any change to the terms and conditions of the current agreement in place between hospitals and the state pertaining to supplemental payments.

As background, in 2017, Connecticut faced operating deficits projected to be as high as $317 million in the current fiscal year and $3.5 billion over the next biennium. At the same time, Connecticut hospitals were plagued by an onerous hospital tax that was never intended to be a direct tax on healthcare services. When the tax was originally established, the state intended to use the revenue collected to make supplemental benefit payments to hospitals for healthcare services provided to patients enrolled in the Medicaid program. These supplemental payments would qualify the state for increased federal reimbursement. Unfortunately, the previous Administration abandoned this strategy within a year of its adoption, and opted instead to keep larger and larger portions of the tax payments received from hospitals while reducing supplemental payments to hospitals, thus foregoing the opportunity to qualify for increased federal funding.

Rather than shying away from the dual challenges of (1) placing government on a path forward to fiscal stability and (2) addressing what had become a direct tax on healthcare services, Connecticut hospitals stepped forward and volunteered to work with legislative leadership and the Administration. The results were an historic bipartisan three-year agreement – one that received overwhelming support from a majority of members of all four caucuses and one Connecticut hospitals continue to support strongly.

The 2017 agreement has helped address the chronic and persistent operating deficits in the state budget by enabling the state and hospitals to benefit from increased federal reimbursement, while diminishing the state’s reliance on a direct tax on healthcare services.

- HB 7148 proposes to abandon the agreement between hospitals and the state during its third and final year. If enacted into law, hospitals will experience a $516 million increase in the hospital tax, with a corresponding reduction in supplemental payments amounting to $43 million – to $453 million.
We also oppose those sections of HB 7148 which propose to:

- Reduce hospital inpatient payments due to a grouper mix up
- Link hospital payments to readmission rates
- Set a ceiling on the maximum price that the state employee health plan will pay for services
- Increase utilization management in the Medicaid program

Should this agreement be abandoned, progress being made to positively influence access to women’s healthcare will be adversely affected.

When hospitals are faced with unmet promises and reductions in payments for care for the poor, they are forced to make difficult financially-driven decisions to limit or eliminate needed programming, cut service hours, delay hiring staff or making facility improvements. Maternal-Child Health at Norwalk Hospital has been anticipating a much-needed capital improvement project in the near future that I fear will be abandoned if the hospital’s financial health bears much more challenge. In the past budget cuts, we have even lost job positions for midwives when the hospital faced financial crisis. Access to high-quality care is more limited. Important Doula, lactation/breast feeding, parenting and childbirth and other free services and programming is at risk. Many Medicaid patients will find themselves relegated to the local clinics, where resources are stretched thin and appointment slots are double and triple booked.

With maternal health and infant mortality remaining a concern in Connecticut, continued unmet promises to hospitals leading to unplanned for budget cuts will negatively affect women’s health programming in very detrimental ways.

We implore this General Assembly to honor the state’s commitment to hospitals by keeping our agreement in place. We urge you to reject any and all efforts to deviate from our 2017 hospital agreement.

Thank you for your consideration of our position. If you have additional questions, please contact Andrea Rynn, Director of Public and Government Relations, Western CT Health Network 203-739-7919 or at Andrea.Rynn@wchn.org