TESTIMONY OF KEVIN MCVEIGH
HIGH RISK NAVIGATOR DANBURY AND NEW MILFORD HOSPITALS
WESTERN CT 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

Good afternoon. I am Kevin McVeigh, and I am with the Western CT Health Network working as a High Risk Navigator in the greater Danbury community. I am here today to testify in opposition to 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.

• Danbury and New Milford hospitals also oppose those sections of **HB 7148** which propose to:
  
  o Reduce hospital inpatient payments due to a grouper mix up
  o Link hospital payments to readmission rates
  o Set a ceiling on the maximum price that the state employee health plan will pay for services
  o Increase utilization management in the Medicaid program

Should this agreement be abandoned, programs that successfully serve at-risk populations can be negatively affected and even closed down. For instance, our Community Care Team Program (CCT) is not a reimbursable program and so is funded through ancillary operational revenues.

The CCT program successfully provides intensive care management to more than 225 High Risk Individuals, who had cycled repeatedly through our emergency departments. Today, as a result of our efforts, all 225 high-risk patient clients are carefully navigated through their care process, connecting them to needed services and a more stable environment. All addiction clients are in substance use programs, more than 80 who were homeless are housed, many are now sober and employed.

Please do not put this successful substance abuse care model out of business. Do not abandon this at-risk population as it will surely drive them back to avoidable emergency department visits, avoidable in-patient visits related to their substance use and drive their health care costs up needlessly.

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