



TESTIMONY OF STEVEN ROSENBERG
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Submitted to
INSURANCE AND REAL ESTATE COMMITTEE
Thursday, February 7, 2019

SB 40, An Act Requiring Site-Neutral Payments For Health Care Services

Western Connecticut Health Network (WCHN) appreciates this opportunity to submit testimony concerning **SB 40**, An Act Requiring Site-Neutral Payments For Health Care Services. WCHN opposes SB 40.

SB 40 would require payments for the provision of healthcare services by health insurers to healthcare providers to be site-neutral.

Our patients rely on 24/7 access to needed care. They rely on our hospitals as the safety net provider for at-risk and vulnerable populations. Our community knows we will care for the homeless and uninsured and for the community-at-large during public health and weather emergencies, flu and contagious disease outbreaks and more. These important community health roles are not funded explicitly; rather funding is built into a hospital's overall cost structure and supported by revenues received from providing direct patient care.

SB 40 does not recognize nor address this complex funding and regulatory environment.

The federal Medicare program has set forth specific criteria to determine when the provision of that service is hospital-based and when it is simply a physician office service. When it meets the tests to be hospital-based, the service is entitled to a higher level of Medicare funding, which is accorded in recognition of the fact that the hospital is a more expensive place to deliver care and is held to a higher regulatory standards.

SB 40 site neutral proposal would either:

1. increase the cost of healthcare by requiring health insurers to pay non-hospital-based providers the hospital rate but not require them to comply with all the hospital standards of care for all regardless of their ability to pay, or
2. result in decreased reimbursement to hospitals, as health insurers reduce payments to hospitals to what is paid non-hospital providers.

This proposed legislation comes at a time when our hospitals are already making difficult choices to account for the resources lost due to shortfalls from government programs, the hospital tax, and other reimbursement cuts. Health insurers know and understand the differences between provider types, and the appropriate level of funding is properly determined by contract not by state statute.

We urge you to reject SB 40. Thank you for your consideration of our position. For additional information, contact Andrea Rynn, Director of Public and Government Relations at WCHN andrea.rynn@wchn.org or 203.739.7919