St.Vincent's
Medical Center

**TESTIMONY OF
ST. VINCENT'S MEDICAL CENTER
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Thursday, February 7, 2019**

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

St. Vincent's Medical Center appreciates this opportunity to submit testimony concerning **SB 40, An Act Requiring Site-Neutral Payments For Health Care Services.** St. Vincent's Medical Center opposes SB 40.

Before commenting on the bill, it's important to point out that for 115 years, St. Vincent's Medical Center has provided high quality care for the Greater Bridgeport community. Founded in 1903 by the Daughters of Charity, **we treat everyone who comes through our doors, 24 hours a day, regardless of ability to pay**. We are one of the largest employers in the City of Bridgeport with more than 3,000 associates, including medical staff. In 2017, St. Vincent's total direct economic impact on our community was close to $1.0 billion. We are a safety net hospital, and last year, delivered community benefit and charity care programs that directly serve the poor and vulnerable.

We do more than treat illness and injury. We build a healthier Connecticut by improving community health, managing chronic illness, expanding access to primary care, preparing for emergencies, and addressing social determinants of health. By investing in the future of Connecticut's hospitals, we will strengthen our healthcare system and our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

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

Connecticut residents rely on hospitals for access to care 24 hours a day, to serve as a safety net provider for vulnerable populations, and to have the resources needed to respond to disasters. These roles are not funded explicitly; instead, they are built into a hospital's overall cost structure and supported by revenues received from providing direct patient care. Hospitals are also subject to more comprehensive licensing, accreditation, and regulatory requirements than other care settings.

SB 40 does not recognize this complex funding and regulatory arrangement.

The 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 higher regulatory standards.

The 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 comes at a time when Connecticut hospitals are already making difficult choices to account for the resources lost due to government underfunding of the Medicaid program, the hospital tax, and other 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. As healthcare providers, ensuring that our residents receive the highest quality care, in the right setting and with best outcomes possible, is our priority. We urge that to be yours as well. This proposal will erode our efforts to decrease the cost of healthcare and continue to place stress on the hospitals that residents rely on for access to high quality, safe and accessible healthcare.

Thank you for your consideration of our position.

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