



**TESTIMONY OF
TRINITY HEALTH OF NEW ENGLAND
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
JAMES HARRIS
REGIONAL DIRECTOR OF REIMBURSEMENT
FEBRUARY 7, 2019**

SB40, An Act Requiring Site-Neutral Payments for Health Care Services

Trinity Health Of New England appreciates this opportunity to testify in opposition to SB40, An Act Requiring Site-Neutral Payments for Health Care Services.

Trinity Health Of New England includes Saint Francis Hospital and Medical Center and Mount Sinai Rehabilitation Hospital in Hartford, Saint Mary's Hospital in Waterbury, Johnson Memorial Hospital in Stafford Springs and Mercy Medical Center in Springfield, Massachusetts. In addition, our ministry includes physician practices, an ambulatory services networks, home health and post-acute services. We are more than 13,000 health care providers committed to providing compassionate care and improving the health of our community. Trinity Health provides more than 265,000 emergency department visits, 40,000 surgeries and 5,000 births annually. We also 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.

SB40 would require payments for the provision of health care services by health insurers to healthcare providers to be site-neutral. This bill simply does not recognize the complex funding and regulatory requirements that hospitals abide by. As you know, the cost structures and payer mix between independent physician offices and hospital outpatient department are quite different and hospitals are subject to more comprehensive licensing, accreditation, and regulatory requirements than other settings.

Connecticut residents rely on our 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. Trinity Health Of New England also provides \$135 million of free and charity care each year.

In addition, Medicare has set forth specific criteria to determine when the provision of that service is hospital based or 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 – acknowledging the fact that the hospital is a more expensive place to deliver care and is held to higher regulatory standards.

This bill would either 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 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.

Thank you for your time and consideration of this important piece of legislation. I urge its rejection.

Thank you for your time and consideration of our position. For additional information, please contact Dan Keenan, Vice President, Advocacy and Government Relations at (860)714-0437 or dkeen@Trinity-Health.org.