Human Services Committee
JOINT FAVORABLE REPORT

Bill No.: SB-1301
Title: AN ACT CONCERNING MEDICAID RATES FOR COMMUNITY HOSPITALS IN RURAL AREAS.
Vote Date: 3/5/2025
Vote Action: Joint Favorable
PH Date: 2/20/2025
File No.: 106

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill sets out to address Medicaid patients being denied care at rural community hospitals due to low Medicaid reimbursement rate. This bill intends to expand healthcare access to Medicaid enrollees in these settings by making reimbursement rates more competitive. SB 1301 addresses the fiscal gap between Medicare and Medicaid by aligning these programs reimbursement rates for the same services. This bill increases the Medicaid reimbursement rates for certain hospitals in rural areas of Connecticut, specifically community hospitals. By equalizing rates for providers, the bill looks to create equitable care across the state.

RESPONSE FROM ADMINISTRATION/AGENCY:

Department of Social Services, Deputy Commissioner, Shantelle Varrs: Opposes this bill in its current form. The Commissioner disagrees that the Department of Social Services (DSS) should have to amend the current Medicaid state plan to increase the Medicaid reimbursement rates to match those of Medicare services. Department of Social Services (DSS) believes that this change would result in higher Medicaid payments to these hospitals, arguing these increased reimbursement rates would lead to higher costs to taxpayers. Undue financial strain would result as these costs are not fiscally possible with the Governor's current proposed budget. It is the contention of DSS that the system should remain as it is now. The Department of Social Services (DSS) believe that Connecticut's Medicaid is set up to already pay hospitals through fee-for-service and supplemental payments, and it is their position that under the current payment structure these rural hospitals are already provided

with proportionally more funding from the small hospital pool. They believe that the $600 million that Medicaid already pays through supplemental payments, Disproportionate Share Hospital (DSH) payments, graduate medical education (GME) payments, and the 2% increase annually in supplemental payments to hospitals are already fiscally appropriate. DSS proposes no changes to the Medicaid payment structure prior to 2026, when the current settlement agreement is set to expire.

NATURE AND SOURCES OF SUPPORT:

Anonymous: Shows support for this bill. The individual noted that a hospital turned their mother away, who had experienced a stroke, as the hospital could not provide the services, she needed due to their (Medicaid) coverage. She then had to be transported to a larger hospital which created a delayed time in care, ultimately effecting her recovery.

Judy Crossley: Voices support for the bill.
Trish Hennessey: Voices their support for the bill.

NATURE AND SOURCES OF OPPOSITION:

John Bryan: Voices their opposition.
Heidi Vos: Voices their opposition.

Reported by: Gracie Patriarco **Date: 3/26/2025**