CONNECTICUT HOSPITAL ASSOCIATION

**TESTIMONY OF**
**CONNECTICUT HOSPITAL ASSOCIATION**
**SUBMITTED TO THE**
**INSURANCE AND REAL ESTATE COMMITTEE**
**Thursday, March 6, 2008**

**HB 5721, An Act Establishing The Connecticut Healthy Steps Program**

The Connecticut Hospital Association (CHA) appreciates this opportunity to present testimony concerning **HB 5721, An Act Establishing The Connecticut Healthy Steps Program.**

HB 5721 establishes "The Connecticut Healthy Steps Program" creating a variety of strategies to improve access to care and decrease the number of uninsured. These strategies include creating a Healthcare Reform Commission to design affordable health insurance plans; creating a "Connecticut Connector" through which eligible individuals may purchase affordable health care plans; establishing a health savings account incentive program; establishing continuous eligibility in the HUSKY program; encouraging participation in nonsmoking programs; and creating a Connecticut Health Quality Partnership.

As we talk about expanding access and ensuring that hospitals are adequately financed to support such expanded access, we should first remember that hospitals are more than facts and figures and dollars and cents – hospitals, at their core, are really people taking care of people. Providing patients and communities with the finest quality healthcare services is the highest priority for Connecticut's not-for-profit hospitals. Hospitals fulfill a vital role, caring for Connecticut residents 24 hours a day, seven days a week, and they make enormous contributions to the health and quality of life for millions in Connecticut. Last year, Connecticut hospitals provided 2.1 million days of inpatient care. In addition, hospitals provide a significant amount of outpatient care. Last year, Connecticut hospitals provided more than 4 million outpatient visits, including: 1.5 million emergency department visits; 183,000 ambulatory surgery visits; 30,000 cardiac procedures; 99,000 cardiac rehab visits; 144,000 gastroenterology procedures; 43,000 chemotherapy visits; 204,000 radiation therapy visits; 844,000 outpatient rehabilitation visits; 344,000 psychiatric care visits; and 624,000 primary care visits. Every moment of every day, hospitals touch the lives of Connecticut residents by providing high quality healthcare services.

Connecticut hospitals are committed to supporting initiatives that improve access to health insurance coverage for Connecticut residents and reduce the number of uninsured. To that end, CHA supports a system of coverage that is universal, continuous, and coordinated to ensure seamless care, affordable to individuals and families, and sufficiently financed to ensure coverage is affordable and sustainable. To be successful, initiatives to improve coverage and access to care must adequately finance the healthcare system already providing services to the uninsured and underinsured; Connecticut's healthcare safety net **must** be mended before more entitlements are considered – full Medicaid cost reimbursement to hospitals must be a cornerstone of any reform program.

Connecticut hospitals look forward to working with the Insurance and Real Estate Committee to implement the strategies proposed in HB 5721 as they increase access and reduce the number of uninsured. CHA requests that the Committee consider the following specific suggestions:

Section 11 establishes incentives for physicians in private practice to encourage them to provide services in qualified health centers, community health centers, community mental health centers or school-based clinics. As drafted, section 11 requires that physicians provide such services for four hours but does not specify if the requirement is four hours a day, a week, or a year. The obligation needs to be clarified and we request the Committee include service in a hospital to qualify for such incentives.

Section 17 requires the Department of Social Services (DSS) to reduce disproportionate share payments (DSH) to hospitals as the number of uninsured residents in this state decreases. CHA opposes this section. More then two-thirds of the disproportionate payments by the state to hospitals are specifically intended to compensate hospitals for the significant underfunding of the Medicaid and SAGA programs, not for the uninsured. Increasing the number of insured will not in any way reduce the burden of underfunding in the Medicaid and SAGA programs and therefore there should be no offset.

Section 21 requires DSS to allow aged, blind or disabled Medicaid beneficiaries to voluntarily enroll in managed care plans available in the HUSKY Plan, Part A and B. The inclusion of individuals with complex health needs in the state's managed care program cannot be accomplished without first setting adequate premiums to cover the cost and allowing providers to negotiate rates to reflect the added cost. CHA requests that this section be amended to automatically provide healthcare providers with a right to renegotiate their contracts with the managed care companies participating in the state's managed care programs to reflect the increased costs associated with providing care to these medically complex patients prior to those patients being enrolled.

Section 23 would permit DSS to impose copayments for emergency department (ED) misuse and require hospitals to provide verbal and written notice to patients to stop misusing the ED. While well intentioned, this provision is unworkable. Hospital EDs are extremely busy places dealing with imminent life and death issues. EDs are not the place to conduct outreach and education, nor is now the time to add another burden to an already overstretched system. Education of plan rules and how to properly access your benefits rightly belongs with the health plan; such education and imposition of added copayments should be directly between the plan and the beneficiary, and not necessitate involvement of the hospital.

Thank you for your consideration of our position.

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