

**TESTIMONY OF
RICHARD A. BRVENIK
PRESIDENT AND CEO
WINDHAM HOSPITAL
FOR THE
APPROPRIATIONS COMMITTEE
Submitted Friday, February 18, 2005**

Re: HB 6671, An Act Concerning The State Budget For The Biennium Ending June 30, 2007, And Making Appropriations Therefor.

We would like to join other hospitals in Connecticut in expressing our concern over the proposed changes to the Governor's budget which will cut hospital funding by an estimated minimum of \$39 million over the two-year budget period.

At Windham Hospital, reduced reimbursements and escalating costs have resulted in operating losses over the past three years, limiting our ability to invest in technology and equipment that are needed to keep pace with the rapidly changing healthcare environment.

In addition, the proposed changes to the HUSKY insurance program will affect 13,000 adults this year. Those families will lose their health insurance coverage, which presently reimburses hospitals only a proportion of the cost of providing care to these individuals. After April 1, these individuals will continue to seek treatment at Connecticut's not-for-profit hospitals, and we will continue to treat them, with no reimbursement for the cost of their care.

This funding cut is in addition to the \$22 million per year that was cut from hospital SAGA funding last year. While we appreciate the Governor's restoring \$2.6 million of hospital funding per year, hospitals and other providers need full restoration of SAGA funding in order to effectively serve the SAGA population.

Windham Hospital believes that the Appropriations Committee should consider adequate funding for state safety net providers, such as hospitals, a priority. The current proposal reduces critical funding in the DSH and Urban DSH Pools; delays scheduled modest increases to the state's lowest inpatient Medicaid case rates (that in many cases are reimbursing at less than half the cost of the care); limits transitional Medicaid; reinstates Medicaid co-pays (which, in general, are uncollectible as the Legislature recognized last year); restructures HUSKY B premium requirements (another strategy rejected by the Legislature last year); eliminates self-declaration of income at application and re-determination, and requires new verification under HUSKY A; and eliminates medical assistance for non-citizens beginning July 1, 2005.

Once again, hospitals find themselves fighting to restore critical funding -- when what hospitals really need is increased funding to support their precarious margins and the state's increasing

number of uninsured. Hospitals rely on the state to be the insurer of last resort for Connecticut's most vulnerable citizens. Windham Hospital requests that you please oppose the Governor's proposed reductions made to the DSH and Urban DSH pools, as well as other reductions to hospital funding.

Thank you.