



**TESTIMONY
OF
CONNECTICUT HOSPITAL ASSOCIATION
HUMAN SERVICES COMMITTEE
Tuesday, March 4, 2003**

**SB 683, An Act Concerning Payment Rates To Hospitals Serving A
Disproportionate Share Of Indigent Patients**

The Connecticut Hospital Association (CHA) opposes **SB 683, An Act Concerning Payment Rates To Hospitals Serving A Disproportionate Share Of Indigent Patients**. As proposed, SB 683 would require the Commissioner of Social Services to revise the formula used to calculate disproportionate share (DSH) payments to hospitals to make uncompensated care the primary factor in setting DSH payments. In addition, no weight is to be given to hospital bed funds or debt still under collection.

The Office of Health Care Access (OHCA) annually reviews and determines the amount and level of uncompensated care and Medical Assistance underpayment eligible for reimbursement through the uncompensated care pool. OHCA determined the amount of uncompensated care and Medical Assistance underpayment for 2003 eligible for reimbursement at \$296.4 million; the amounts due to uncompensated care and Medical Assistance underpayment represent about half of the total. DSH payments cover slightly less than one-third of the total dollars determined by OHCA to be needed to cover 100 percent of uncompensated care and Medical Assistance underpayment.

If implemented, SB 683 would cause wholesale restructuring of the uncompensated care pool because it would remove Medical Assistance underpayment. Restructuring the uncompensated care pool as proposed would exacerbate an already financially tenuous situation for Connecticut hospitals.

Thank you for your consideration of our position.