



**TESTIMONY
OF
CONNECTICUT HOSPITAL ASSOCIATION
HUMAN SERVICES COMMITTEE
Tuesday, March 18, 2003**

**SB 975, An Act Concerning Elimination Of Payment For Administratively
Necessary Days**

The Connecticut Hospital Association (CHA) opposes **SB 975, An Act Concerning Elimination Of Payment For Administratively Necessary Days**. As proposed, SB 975 requires the Department of Social Services (DSS) to eliminate payments for Administratively Necessary Days (ANDs) effective July 1, 2003. ANDs payments are suppose to be in addition to the Medicaid per-case payment and are meant to cover that portion of a hospital stay when a Medicaid beneficiary no longer needs hospital care but is not discharged from the hospital because a post hospital placement has not been found. ANDs payments are set to increase every seven days (from 50% to 100%) so that the pressure on DSS to place Medicaid recipients outside of the hospital increases over time.

Unfortunately, over the last nineteen years DSS has never implemented this incentive as the legislature had intended. In short, while DSS may have paid the variable rate for ANDs during the year it always recovered those payments at year-end by capping payment at the per case rate.

If implemented, SB 975 would remove any incentive for the DSS to be motivated to assist hospitals in finding suitable placement for Medicaid beneficiaries outside of the hospital. Given the current fiscal pressure faced by DSS it is now more important than ever to maintain this incentive. Therefore, please oppose SB 975.

Thank you for your consideration of our position.