



CONNECTICUT
HOSPITAL
ASSOCIATION

**TESTIMONY OF
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SENIOR VICE PRESIDENT, HEALTH POLICY
CONNECTICUT HOSPITAL ASSOCIATION
BEFORE THE
HUMAN SERVICES COMMITTEE
Tuesday, February 26, 2013**

**HB 6367, An Act Implementing The Governor's Budget
Recommendations For Human Services Programs**

Good afternoon. My name is Stephen Frayne, and I am the Senior Vice President of Health Policy at the Connecticut Hospital Association (CHA). I am here today to testify in opposition to **HB 6367, An Act Implementing The Governor's Budget Recommendations For Human Services Programs**.

Before outlining our concerns, it's important to detail the critical role hospitals play in the health and quality of life of our communities. Connecticut's hospitals are more than facts and figures, and dollars and cents. Hospitals, at their core, are all about people. All of our lives have, in some way, been touched by a hospital: through the birth of a child, a life saved by prompt action in an emergency room, or the compassionate end-of-life care for someone we love. Or perhaps our son, daughter, husband, wife, or friend works for, or is a volunteer at, a Connecticut hospital.

Hospitals provide care to all people regardless of their ability to pay. Connecticut hospitals are the ultimate safety net providers, and their doors are always open.

Every day, healthcare professionals in hospitals see the consequences and health implications for individuals and families who lack access to care and coverage. Emergency departments are filled with individuals who cannot find a physician to care for them because they are uninsured or underinsured – or they are Medicaid beneficiaries and few physicians will accept the low rates paid by Medicaid. Throughout Connecticut, our emergency rooms are treating both those who have delayed seeking treatment because of inadequate or no coverage, and those who have no other place to receive care.

Thus, as frontline caregivers, Connecticut hospitals are absolutely committed to initiatives that improve access to safe, high-quality care and expand access to coverage. Connecticut hospitals stand ready to partner on Medicaid system reform and innovation to create effective solutions that offer a win for everyone: better access for patients, lower costs for the state, and better payments for providers. The ultimate goal is to establish a healthcare system through which coverage is affordable and sustainable, and access to care is guaranteed.

As drafted, Section 11 of HB 6367 says that on or after July 1, 2013, rates paid to acute care hospitals for inpatient services shall be based on Diagnosis-Related Groups (DRGs), and outpatient services shall be based on Ambulatory Payment Classifications (APCs). Section 11 also repeals the current payment methods for these services, effective July 1, 2013. Finally, Section 11 allows the Department of Social Services (DSS) to implement policies and procedures while still in the process of adopting regulations, and allows the Commissioner to periodically rebase the system and make additional payments to hospitals within available appropriations.

While CHA supports the transition to DRGs and APCs, we cannot support this bill as drafted for the following reasons:

1. It does not include an annual market basket update as is standard practice in the Medicare program.
2. It uses an emergency regulation procedure for a non-emergency situation. As best we know, DSS is not planning to implement any of these changes for at least 18 months.
3. It does not have a multi-year transition from the current system to the new system.
4. It does not require that the transition be budget neutral.
5. Sections 12, 13, and 14 give DSS unfettered authority to make adjustments for utilization.

HB 6367 also proposes to eliminate the Behavioral Health Partnership Oversight Council (Council). CHA opposes the elimination. Hospital representatives have been proud to serve on the Council and its various subcommittees. We appreciate and acknowledge the important role the Council plays in assessing the development and ongoing implementation of an integrated behavioral health service system in our state through the Behavioral Health Partnership program. The Council provides an essential service by regularly bringing together a broad and diverse array of legislators and their designees, behavioral health providers, consumers and advocates, medical and mental health practitioners, and state agencies and insurers. They provide input, guidance, and advice in support of such integration. While some progress has been made, there is still much work to be done.

Connecticut hospitals are committed to providing excellent services, and the quality of patient care is a paramount concern. Hospitals work hard to ensure that patients receive the individualized care they need in the inappropriate healthcare setting, and are discharged from the hospital as soon as appropriate. But there are often long waits and financial or resource limitations to accessing therapeutic/residential placement, appropriate clinical treatment services in the community, or appropriate supportive housing. Achieving an integrated behavioral healthcare service system requires appropriate care coordination, provider incentives, and access to community services. The Council plays an essential role in achieving proper integration. It provides an oversight function that breaks down the silos that exist in the care continuum. Importantly, it monitors and assesses progress, and identifies and eliminates barriers to accessing quality behavioral healthcare across the continuum. We encourage you to oppose efforts to eliminate the Council.

Thank you for your consideration of our position.