



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
HUMAN SERVICES COMMITTEE
Tuesday, March 8, 2022**

HB 5341, An Act Equalizing Medicaid Rates For Providers Of Inpatient Mental Health Services In Eastern Connecticut

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5341, An Act Equalizing Medicaid Rates For Providers Of Inpatient Mental Health Services In Eastern Connecticut**. CHA supports equalizing and increasing Medicaid reimbursement rates for all hospitals providing inpatient psychiatric services.

Since early 2020, hospitals and health systems have been at the center of Connecticut's response to the COVID-19 public health emergency, acting as a vital partner with the state and our communities. Hospitals expanded critical care capacity, procured essential equipment and supplies, and stood up countless community COVID-19 testing locations. Hospitals have been an essential component of the statewide vaccine distribution plan including efforts to reach and serve historically under-resourced communities disproportionately affected by the virus. Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay. This tireless commitment to the COVID-19 response confirms the value of strong hospitals in Connecticut's public health infrastructure and the well-being of our communities and reinforces the need for a strong partnership between the state and hospitals.

The COVID-19 pandemic exposed and aggravated deficiencies in Connecticut's behavioral health system. Rising numbers of people experiencing mental health and substance use issues due to isolation, delay in care, and fear caused by COVID-19, coupled with chronic staffing shortages, have stressed our system even further. The crisis is evident in hospital emergency departments (EDs), which are often the only option for people who cannot access care in more appropriate settings.

Connecticut is experiencing a statewide crisis in demand for inpatient psychiatric services among patients of all ages. Between February 1 and March 3, 2022, there was an average daily census of 101 patients in EDs awaiting placement into inpatient psychiatric care. On average, 64 of these patients were 18 years of age or older, and 37 were 17 years of age or younger. Over this same period, on average, there were three available inpatient psychiatric beds daily for patients 17 years and younger. On three days during the period, there were no beds

available. The need for expanded inpatient psychiatric services is clear, affects patients of all ages, and is growing more acute with each passing day.¹

Inpatient psychiatric hospitalization provides 24 hours of daily care in a structured, intensive, and secure setting for patients who cannot be safely and/or adequately managed at a lower level of care. This setting provides daily physician supervision, 24-hour nursing/treatment team evaluation and observation, diagnostic services, and psychotherapeutic and medical interventions. Patients receiving this level of care are at imminent risk for acute medical status deterioration, suicide or self-injury, harm to others, or are gravely disabled—meaning acute and serious deterioration from baseline mental status and level of functioning. These patients are in crisis and deserve our immediate attention.

The need for additional bed capacity is clear, but it will take a whole-system approach to meet the ongoing need for inpatient psychiatric beds. The state, unfortunately, has been reluctant to expand bed capacity in state-operated inpatient psychiatric hospitals. Hospitals are ready to enhance support for patients in need and we implore the General Assembly to adopt a more bold, immediate, and direct approach to incenting hospitals to increase bed capacity and eliminate growing waiting lists for beds.

One way is to increase Medicaid reimbursement rates for inpatient psychiatric services to a level that is commensurate with the cost of providing this high level of care. Current rates are insufficient to cover these costs.

Another way is for the state to offer capital and operating assistance to any hospital committed to dedicating additional space, equipment, and workforce to accommodate the increasing demand for inpatient psychiatric services.

As an example, the Commonwealth of Massachusetts recently offered hospitals Expansion of Inpatient Behavioral Health Capacity Supplemental Payments of \$120,000 to \$150,000 per new psychiatric bed and a Pediatric Inpatient Behavioral Health Per Diem Supplemental Payment rate of \$330 per day for new child and adolescent care provided. Bolder financial incentives such as these will encourage more hospitals to invest in facilities, equipment, and staff to resolve the current crisis in demand and meet future needs for inpatient psychiatric services.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.

¹ Derived from Connecticut Hospital Behavioral Health (BH) Census and Capacity Summary. Connecticut Hospital Association
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