



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
HUMAN SERVICES COMMITTEE  
Thursday, March 14, 2024**

**SB 395, An Act Concerning Medicaid Budgeting Methods And The  
Reporting Of Medical Debt**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 395, An Act Concerning Medicaid Budgeting Methods And The Reporting Of Medical Debt**. CHA supports the bill with a request to strike Section 3 of the bill.

Connecticut hospitals are critical to their communities. They are confronting the challenges posed by a post-pandemic healthcare system with an exemplary healthcare workforce that continues to provide outstanding care. But challenges remain. Hospitals are treating sicker patients, it continues to be challenging to hire and retain staff, and the financial headwinds are grave. Through it all, hospitals are steadfast, providing high-quality 24-hour care for everyone who walks through their doors, focusing on making Connecticut's healthcare system more equitable, and driving world-class innovation right here in Connecticut.

Connecticut hospitals strive to ensure that the inability to pay for services does not deter anyone from seeking needed medical care. It is why they work hard to ensure that their financial assistance policies are applied to all those who are eligible and to connect eligible, uninsured patients with a regular source of health insurance coverage.

CHA believes that Sections 1 and 2 of the bill make reasonable amendments to the underlying statutes governing medical debt collection practices. Under current law, hospitals are permitted to report patient information to a credit rating agency only after a year has elapsed since the date the patient received a bill for service. SB 395 would amend the statute to prevent reporting to a credit rating agency at all. We think this is a reasonable change to the statute and in line with current practice for most hospitals in Connecticut.

CHA believes Section 3 of the bill should be struck from the bill. It is not appropriate to link Medicaid reimbursement to compliance issues unrelated to the Medicaid program and we question whether this provision is permissible under federal law. Moreover, enforcing the prohibition on reporting medical debt to a credit rating agency by reducing Medicaid

payments for hospitals that violate the prohibition would only serve to harm patients served by hospitals. Under current reimbursement practices, hospitals are only reimbursed 62 cents for every dollar of care provided to a Medicaid patient. Reducing that reimbursement even further would harm care delivery and patients.

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