



**TESTIMONY OF  
BRISTOL HOSPITAL  
BEFORE THE  
HUMAN SERVICES COMMITTEE  
Thursday, January 18, 2007**

**On the adequacy of hospital reimbursement from private managed care organizations serving HUSKY and Medicaid clients**

**Thank you for allowing Bristol Hospital to provide testimony on the adequacy of the hospital's reimbursement from private managed care organizations serving HUSKY and Medicaid clients.**

**Our hospital continues to struggle in performing favorably from an operation margin perspective. Beginning in fiscal year 2004, the hospital has experienced fairly significant losses from operations. There are many factors contributing to our financial condition, including escalating pension and malpractice costs and the exponential rise in cost for key healthcare professionals in market sensitive positions, such as Registered Nurses, Diagnostic Technologists and Pharmacists to name a few. We have taken significant steps to reduce our expenses over the past twelve months. Despite these efforts, we again fell short of our financial goals in the most recent fiscal year, which ended on September 30, 2006.**

**Bristol Hospital will continue to struggle to provide essential services to our community until we are paid fairly for the care provided for patients covered by government programs. Payments from Medicare have been fairly flat for the past several years, despite annual market basket increases; these increases have been offset by other changes in the way Medicare reimbursement is calculated that have adversely impacted Bristol Hospital. The state has also significantly cut hospital funding for SAGA patients to the point that hospitals are contributing more for the cost of care of these patients than the state.**

**Our Medicaid managed care reimbursement continues to not cover the costs associated with these patients. In fact, last year Bristol Hospital was paid only 72% of the cost of providing care to patients covered by Medicaid managed care, resulting in a loss to the hospital of \$2.2 million. This shortfall, coupled with other reimbursement shortfalls and with growing expenses, significantly interfered with Bristol Hospital's ability to invest in its infrastructure. The result is an inability to develop strategic initiatives to secure the future well being of Bristol Hospital and protect the community's investment in the services they so deserve.**

**Thank you for your time and attention today. Any changes that can be made to improve the reimbursement for services provided to these patients will make a difference in Bristol Hospital's short and long-term future. Our mission is to serve our community by providing high quality care. That can only be done with adequate resources. Our patients deserve to receive the best technology and services from Bristol Hospital – please help us ensure the future of our community's healthcare. Thank you.**

**For further information, please contact Kurt A. Barwis, President and CEO.**