



In the “Funding of Hospital Care” report developed by the Legislative Program Review & Investigations Committee, Saint Mary’s Hospital is described as a “severely distressed hospital” based upon the following characteristics:

- Low private payment to cost ratio (.96, 2nd lowest in state)
- Low Medicaid payment to cost ratio (.47, lowest in state)
- High % Medicaid population (20.8, 4th highest in state)
- Low operating costs per case (2nd lowest in state)
- High percentage of Emergency Room Medicaid patients (42%, highest in state, excluding CCMH)
- High occupancy rates (89% occupancy, 5th highest in state, average is 77%)

These characteristics lead to annual operating losses that are unsustainable, as summarized below:

	Medicaid	Medicaid Mgd. Care	SAGA	Uninsured	Total
Total cost	\$11.4M	\$13.4M	\$6.9M	\$2.9M	\$34.6M
Reimbursement	6.5M	9.2M	3.0M	0.4M	\$18.1M
Shortfall	\$4.9M	\$4.2M	\$3.9M	\$2.5M	\$15.5M

The chart above is based upon fiscal year 2006. All data is drawn from SMH cost accounting system. Compensation from State Uncompensated Care pools is not included.

What are the results of Medicaid under funding at SMH?

- Lowest FY2005 operating margin in state of Connecticut (-10.2%)
- Operating loss of (\$15.3 million) in FY 2005
- Overall degradation of balance sheet
- Inability to access capital, resulting in an inability to reinvest in property, plant & equipment (information technology, bed expansion, clinical quality and capacity)
- Inability to fund pension liability at appropriate levels
- Overcrowding in Emergency Room, extended waits, limited access
- Consideration of limiting or eliminating access to critical services (Behavioral Health, Pediatrics, Neonatology, etc.)

