



**TESTIMONY OF  
WINDHAM COMMUNITY MEMORIAL 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**

Windham Community Memorial Hospital appreciates the opportunity to testify on behalf of residents of the 19-town service area in Eastern Connecticut on the adequacy of hospital reimbursement from private managed care organizations serving HUSKY and Medicaid clients.

Before discussing the impact of hospital financing policies in our state, we would like to highlight the important role our hospital plays in the community. Not only do we care for thousands of people who come to our doors for healthcare, we employ over 750 people in our region. There is a positive economic impact from the goods and services they consume, the taxes they pay and the contributions those caregivers have on their families and the fabric of our society.

We care for patients young and old, rich and poor, and last fiscal year more than 5400 people were admitted to Windham Hospital. In this same period, we saw over 24,000 patients in our Emergency Department and 454 babies began life here in Windham. We provide care to all people regardless of their ability to pay 24 hours a day, seven days a week, 365 days a year. In FY 06, we served nearly 8,500 people enrolled in under-funded state and federal programs.

Windham Hospital and its staff are leaders in our community, enhancing the lives and well being of people in our region. Not only do we care for our patients, we provide financial support, in-kind services and education to our community. Surely this is a better place to live thanks to the many contributions of our Hospital and its staff.

Windham Hospital contributed in excess of \$3,128,000 million last year to cover the cost of care provided to Medicaid, SAGA, and the uninsured. Those three groups make up a disproportionate share of the population in our 19-town service area, exceeding the state median. Additionally, due to restrictions on the spending cap, the state is passing up federal dollars which would be available to hospitals to offset a portion of these costs.

HUSKY under-funding places an undue burden upon our hospital, as well as others in the state. We contribute 74 cents for every state dollar spent for HUSKY participants. We concur with the Program Review and Investigations Committee report which attributes this imbalance to increased Managed Care Organization administrative expenses that have not been passed on to providers, particularly hospitals.

This under-funding has affected Windham Hospital and has curtailed our ability to make needed capital investments in our facility and programs. With adequate reimbursements, we would have the resources needed to create a step-down unit to reduce the cost of inpatient care and address the healthcare needs of a growing elderly population. Our hospital would benefit from more efficient inpatient space as well as space for program enhancements that need to accompany our pending accreditation as a Community Cancer Center. We also need to recruit additional primary care physicians to the area, which would reduce the number of high cost emergency center visits. Our ability to employ key specialists and grow our Hospitalist program more quickly would have a positive impact on physician recruitment efforts.

While Windham Hospital remains one of the lowest cost hospitals in the state, inadequate reimbursement from the Medicaid, HUSKY and SAGA programs has resulted in staff reductions and the elimination of programs such as Pastoral Care. We currently operate this program on a volunteer basis, which marginally meets the needs of our patient population, but clearly does not address both caregivers and families. This has been a real loss to our community.

Resolution of these historic under-funding issues cannot be put off any longer. We must resolve the spending cap issue. We must be able to invest in technology to be able to serve our communities better. We must be paid what it costs to serve individuals enrolled in state programs. We need action now.