

**WRITTEN TESTIMONY BY  
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HOSPITAL OF SAINT RAPHAEL**

**BEFORE THE APPROPRIATIONS COMMITTEE  
Friday, February 16, 2007**

**REGARDING THE DEPARTMENT OF SOCIAL SERVICES BUDGET**

Senator Harp, Representative Merrill, and Appropriations Committee members, I am pleased to provide written testimony today to urge you to increase the Medicaid portion of the Department of Social Services (DSS) budget in order to provide 100 percent Medicaid cost reimbursement to Connecticut's hospitals.

The Hospital of Saint Raphael (HSR), like many hospitals throughout the state, serves as a "healthcare safety net" for thousands of patients each year. It is extremely important that the Medicaid budget recognize this "hospital healthcare safety net" which provides healthcare access to Connecticut's residents through our emergency departments, outpatient clinics, and outreach programs. We know that providing universal healthcare access in emergency departments is the most expensive setting to receive primary care and is simply not the most efficient way of providing primary care. As a result, we have implemented many outreach prevention and wellness programs at the Hospital of Saint Raphael to try to avoid emergency room visits and to identify healthcare issues before they become acute and complex.

For example last year, in the worst year financially at the HSR in seven years, we launched, with the Bayer Corporation, "Project Brotherhood." This outreach program is a cancer prevention, education and screening program committed to improving the health of Greater New Haven-area Hispanic and African-American men. Because prostate, lung and colorectal cancers are the top three cancers found in men, special emphasis is placed on these diseases. During the past year, every single one of our screening events to screen men for prostate and colorectal cancer has drawn twice as many participants as originally projected. And as a result of these screenings, we have identified several men that have cancer or pre-cancerous conditions and are now being treated for the disease. Without Project Brotherhood, most, if not all, of these men would not have been treated in the early stages of the disease or would have been diagnosed too late for treatment. These patients are cared for through the entire course of their illness regardless of the ability to pay.

Similarly, our "Project MotherCare", which was launched in 1990, continues today. For the first 16 years, we provided care via a 48-foot tractor trailer in New Haven and West Haven neighborhoods. We are continuing to provide outreach services in these same neighborhoods, as well as in Hamden but due to the cost of the program, have transitioned to medical offices located in food pantries, housing projects, senior centers, and other facilities. We provide primary care, as well as obstetrical care, to those who cannot access services elsewhere. Some of the women we see are illegal aliens who would not present themselves at our Hospital for fear of being discovered. At Saint Raphael's, however, our mission is to provide care to those who need it most, not to screen for ability to pay or immigration status. Again, we have reached out to the community, despite the negative financial margin, to make sure that individuals receive the most appropriate care at the most appropriate setting.

One more example is our "Smiles-to-Go" dental van which was developed following a community need assessment. For six years, "Smiles-to-Go" has been providing dental care for New Haven school children. And when school is out, the van provides dental care at community sites, migrant farms, and DCF sites in the region. Without "Smiles-to-Go", many children would not have access to basic dental care and would most likely end up in the emergency room with infections and, possibly, be faced with tooth extractions, and when they have complex oral health problems, they are referred to our oral, maxillofacial surgery program for care. Again, regardless of their ability to pay.

These examples are just a few ways the Hospital of Saint Raphael addresses healthcare access, despite a broken, inadequate and ancient healthcare reimbursement system in our State based on a 1984 TEFRA formula.

At the same time that we try to provide access efficiently, the Hospital of Saint Raphael receives 68 cents for every \$1 of the cost of care provided to Medicaid patients.

In fiscal year 2006, the Hospital of Saint Raphael's under-reimbursement for Medicaid care was approximately \$21 million. Again, this \$21 million represents the gap from what it costs Saint Raphael's to render care versus what it was reimbursed. The reason for this shortfall is twofold:

First, incremental fee-for-service Medicaid increases, such as the \$7.2 million appropriated last session have helped, but only marginally. Medicaid has not provided substantial rate relief since the 1999 inflation adjustment of three percent.

Regarding Medicaid Managed Care, the Hospital of Saint Raphael has not seen any of the increases that the legislature approved over the last few years. It is important that if additional increases are granted for the Medicaid Managed Care Program this year, the legislature must require the insurers to pass along the same per-member-per-month increase on to the healthcare providers.

Finally, for serving essentially the same Medicaid population as our neighboring hospital several blocks away we are paid \$2052 less per discharge because of the broken system and antiquated payment formula. The only solution is 100% Medicaid cost reimbursement. The result of the Medicaid shortfall has caused an inability to invest in our infrastructure and purchase updated medical technology. Attached is a list of those capital projects that we have had to put on hold. Connecticut's hospitals cannot continue to postpone the investment into our aging facilities. As with our own homes, the longer we put off important upgrades, the more serious the consequences and the higher the expense. We will be forced to make choices. Do we continue to postpone capital and technological investments and continue our outreach programs or do we close our outreach programs so we can survive. Without 100% Medicaid cost reimbursement, the choice becomes one you will make for us. However, reimbursement at cost will ensure the funds are used for expanding access, creating appropriate settings for the appropriate levels of care, and providing technology for the most efficient delivery of healthcare to ALL Connecticut residents. We urge the Appropriations Committee, the legislature, and the executive branch to approve 100 percent Medicaid cost reimbursement for Connecticut's hospitals. The time is now – this year! We cannot wait any longer.

# Saint Raphael Healthcare System

## Capital Projects -- on Hold

- Family Health Center Building
- Parking Garage
- Infrastructure:
  - Elevators
  - Boilers
- OB/GYN unit renovations
- ICU renovations
- Conversion of semi-private rooms to private rooms
- 64 Slice CT scanner
- EKG equipment
- Vascular imaging equipment
- Heart-lung machines
- PCA pumps
- Cardiology mapping
- Surgical instruments and monitors
- EEG equipment