



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

- High % Medicaid population (20.3, 5<sup>th</sup> highest in state)
- High % Medicaid Behavioral Health population (5<sup>th</sup> highest in state)
- Low private payment to cost ratio (1.06 5<sup>th</sup> lowest in state)
- 1 of 13 hospitals in state with > 15% Medicare DSH population
- 1 of 10 hospitals in state eligible for Urban DSH funding
- High % of SAGA patients

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

	Medicaid	Medicaid Mgd. Care	SAGA	Uninsured	Total
Total cost	\$11.5	\$15.4	\$7.5	\$4.4	<b>\$38.8</b>
Reimbursement	6.5	9.9	3.2	0.8	<b>\$20.4</b>
Shortfall	\$5.0	\$5.5	\$4.3	\$3.6	<b>\$18.4</b>

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

**What are the results of Medicaid under funding at WH?**

- Negative FY2005 operating margin (-1.2%)
- Operating loss of (\$2.4 million) in FY 2005
- Deterioration of Cash and Investments
- Inability to access capital, resulting in deferred maintenance and replacement of property, plant & equipment (facility, parking, clinical technology, routine equipment)
- Overcrowding in Emergency Room, extended waits
- Capacity issues with ICU and Telemetry Beds
- Limited isolation beds
- Sever parking shortage on campus
- Consideration of limiting or eliminating access to critical services (Behavioral Health, Pediatrics, Neonatology, etc.)

