



**TESTIMONY
OF THE
CONNECTICUT HOSPITAL ASSOCIATION
HUMAN SERVICES COMMITTEE**

Thursday, March 7, 2002

**HB 5555, An Act Providing Full Payment To Physicians For Services Provided to
Dually-Eligible Patients**

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony on **HB 5555, An Act Providing Full Payment to Physicians For Services Provided To Dually-Eligible Patients**.

Federal law requires state Medicaid programs to pay Medicare cost-sharing charges, such as coinsurance and deductibles, for individuals who are eligible for both Medicare and Medicaid. However, federal law now allows each state the option of limiting its cost-sharing payments so that providers receive no more than Medicaid would pay for the same services. Medicaid payments to all Connecticut providers tend to be far below the providers' costs. As a result, implementing this lower cost-sharing option removed substantial dollars from providers throughout the state. In general, the state's policy of eliminating payment of Medicare coinsurance and deductibles has expanded the harm to providers and patients caused by the unreasonable low current Medicaid rates.

Since some providers may not be able to continue to sustain these losses for their Medicare as well as Medicaid patients, this state policy is likely to create increasing access problems for the poorest Medicare patients. We understand from meetings held at CHA with psychiatric providers from across the state that outpatient programs for psychiatric patients have been hit especially hard by elimination of the Medicare cost-sharing payments. As we have seen through the crisis that developed in Connecticut in access to psychiatric services, hospitals ultimately receive patients who are unable to access care elsewhere. In many cases, this will not be the most efficient or cost-effective use of available services.

We are equally concerned, however, about the further stress imposed statewide on the health care system by the access problems that will result from expanding the class of patients paid at Medicaid rates. CHA submits that the state should accept responsibility for paying its fair share of the costs of health care for Connecticut residents in need of care and eligible for the Medicaid program, including those who also are Medicare patients.

For all of these reasons, CHA supports House Bill 5555 and urges the Committee to recommend its passage, including the restoration of funding needed to cover the appropriate Medicare coinsurance and deductible payments.

Thank you for your consideration.