

**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
HUMAN SERVICES COMMITTEE
Tuesday, March 22, 2005**

**SB 1323, An Act Concerning The Administration Of The Husky Plan,
Part A And Part B**

**HB 6927, An Act Concerning Restoration Of Services Available Under The State-
Administered General Assistance Program**

The Connecticut Hospital Association (CHA) is submitting this testimony in support of **SB 1323, An Act Concerning The Administration Of The Husky Plan, Part A And Part B** and **HB 6927, An Act Concerning Restoration Of Services Available Under The State-Administered General Assistance Program**.

SB 1323 permanently allows the approximately 13,000 working parents and needy caretaker relatives above the lowered eligibility level (from 150% to 100% of the federal poverty level, i.e., \$23,507 to \$15,671 for a family of three) to maintain essential health coverage. In addition, it extends coverage to the more than 12,000 uninsured Connecticut parents whose income is below 185% of the federal poverty level. Finally, SB 1323 restores a presumption of and guarantee of eligibility for pregnant woman and children.

HB 6927 increases cash assistance, ensures the provision of needed transportation, and requires that the benefit and provider payment rate afforded in the State-Administered General Assistance (SAGA) program is equal to that provided under Medicaid. Currently, payment rates to providers are reset every month so that expenditures do not exceed the fixed appropriated dollars. Prior to the cap, SAGA paid hospitals the Medicaid rate; hospital experience over the last fourteen months indicates that the SAGA cap has resulted in hospital payment rates of Medicaid **less 30%**. The annual cost to Connecticut hospitals of this cut is about \$22 million dollars.

Connecticut hospitals continue to face a series of daunting fiscal challenges, including inadequate reimbursement from the Medicare and Medicaid programs, the \$22 million dollar a year cut in SAGA funding, a shortage of healthcare workers, and escalating costs in areas such as pharmaceuticals, blood and blood products, and particularly medical and general liability premiums. In addition, our hospitals must expend their limited resources on quality improvement and facility modernization, advances in new healthcare technology, and disaster and emergency planning programs.

The competing pressures of government funding cuts, the need to attract and maintain a superior workforce, rising input costs, and the continuous effort to improve the care given have put

Connecticut's hospitals in a financially tenuous position. In 2004, 22 of the state's 30 acute care hospitals ended the year unable to collect enough patient revenue to cover the cost of care delivered to those patients.

Adding individuals to the ranks of the uninsured and failing to minimally pay Medicaid rates for SAGA patients risks not only the ability of individuals to access basic care, but also the ability of hospitals to deliver the care all Connecticut's citizens need, expect, and deserve. Therefore, CHA asks that you support SB 1323, An Act Concerning The Administration Of The Husky Plan, Part A And Part B and HB 6927, An Act Concerning Restoration Of Services Available Under The State-Administered General Assistance Program.

Thank you for your consideration of our position.

For additional information, contact CHA Government Relations at (203) 294-7310.

SAF:kas
Attachment



March 18, 2005

Dear Members of the Human Services Committee:

We, Chief Executive Officers of Connecticut Hospitals and Directors of Community Health Centers along with the undersigned groups (see attached), strongly urge you to support legislation that will adequately fund the State Administered General Assistance (SAGA) program and provide real access to health care for our poorest residents.

The restructured SAGA program that went fully into effect on October 1, 2004 will cause serious financial hardships on Connecticut hospitals and Federally Qualified Health Centers (FQHCs) and create real barriers to health care. About 40% of SAGA recipients are women, almost all are single individuals, their income is limited to \$477 a month or \$5,724 a year and their assets are limited to \$1000. Their only access to health care is through the SAGA program. Many SAGA recipients do not have cars and, under the new system, must go out of town to see a primary care physician. For these men and women, who often have complex medical needs, being required to travel even a few miles can be a complete barrier to care.

The provision of non-emergency transportation, as well as other services such as vision care and podiatry services, is no longer part of the SAGA program. These cuts, as well as other changes to the program, will create real barriers for 29,000 of the state's most vulnerable citizens who have no other options for receiving consistent health care.

In addition, the funding structure for this new program puts their providers, Connecticut hospitals and health care centers, at great financial risk. Connecticut hospitals stand to lose \$22 million a year under the new SAGA restrictions and FQHCs will lose between \$2 million and \$5 million a year. These losses threaten the ongoing financial viability of these essential non-profit health care providers and that endangers the health care of all Connecticut residents.

The legislation we are proposing would:

- Remove language that caps funding at an appropriated level
- Restore non-emergency medical transportation as a covered service
- Restore vision care, home health care, physical therapy, occupational and speech therapy, and podiatry as covered services
- Provide protections for SAGA patients under managed care.

Connecticut's SAGA Medical Program is literally a lifeline for vital health care services. Please support legislation that protects our hospitals and health care centers and ensures access to health care for our poorest residents.

Sincerely,

(See names on attached pages)

Chief Executive Officers of Connecticut Hospitals and Directors of Community Health Centers

Thomas P. Pipicelli
President and Chief Executive Officer
The William W. Backus Hospital

Clarence J. Silvia
President and CEO
Bradley Memorial Hospital and Health Center

Robert J. Trefry
President/CEO
Bridgeport Hospital

Thomas D. Kennedy, III
President
Bristol Hospital

Larry M. Gold
President/CEO
Connecticut Children's Medical Center

Frank J. Kelly
President & CEO
Danbury Hospital

Ann Errichetti, M.D.
President & CEO
Day Kimball Hospital

Steven L. Strongwater, M.D.
Hospital Director
John Dempsey Hospital

Frank A. Corvino
President/CEO
Greenwich Hospital

Patrick A. Charmel
President and Chief Executive Officer
Griffin Hospital

John J. Meehan
President/CEO
Hartford Hospital

Daniel J. McIntyre
President and Executive Director
The Charlotte Hungerford Hospital

Alfred A. Lerz
President & CEO
Johnson Memorial Hospital

William T. Christopher
President/CEO
Lawrence & Memorial Hospital

Peter J. Karl
President & CEO
Eastern Connecticut Health Network
(Manchester Memorial Hospital and Rockville
General Hospital)

Robert G. Kiely
President/CEO
Middlesex Hospital

Lucille A. Janatka
President/CEO
MidState Medical Center

Paul E. Moss
President
Milford Hospital

Laurence A. Tanner
President/CEO
New Britain General Hospital

Richard E. Pugh
President/CEO
New Milford Hospital

Geoffrey F. Cole
President and CEO
Norwalk Hospital

Christopher M. Dadlez
President and Chief Executive Officer
Saint Francis Hospital and Medical Center

Chief Executive Officers of Connecticut Hospitals and Directors of Community Health Centers

Robert P. Ritz, CHE
President and Chief Executive Officer
Saint Mary's Hospital

David W. Benfer
President & CEO
Hospital of Saint Raphael

Susan L. Davis, R.N., Ed.D.
President and Chief Executive Officer
St. Vincent's Medical Center

Brian G. Grissler
President & Chief Executive Officer
The Stamford Hospital

John H. Tobin, D.Man.
President/CEO
Waterbury Hospital

Richard A. Brvenik
President & CEO
Windham Community Memorial Hospital

Joseph A. Zaccagnino
President and CEO
Yale-New Haven Hospital

Marjorie Berry
Executive Director
East Hartford Community Healthcare, Inc.

Michael Sherman, Executive Director
Robert Zavoski, MD, Medical Director
Community Health Services, Inc.,
Hartford

Katrina Clark, Executive Director
Laurie Bridger, MD, Medical Director
Fair Haven Community Health Center, Inc.,
New Haven

Ludwig Spinelli
Executive Director/CEO
Bridgeport Community Health Center, Inc.

Cornell Scott, CEO
Karin Michels, MD, Medical Director
Gary F. Spinner, Chief Operating Officer
Hill Health Corporation,
New Haven

Donald Thompson
Executive Director
StayWell Health Center, Inc.
Waterbury

Chuck Seeman
Executive Director
United Community & Family Services,
Norwich

Alfreda Turner, President & CEO
Gary Rhule, MD, Medical Director
Charter Oak Health Center, Inc.
Hartford

Arvind Shaw, Executive Director
Morton Glasser, MD, Medical Director
Generations Family Health Center, Inc.,
Willimantic

Lawrence Cross, Interim Executive Director
Attilio Granata, MD, Medical Director
Norwalk Community Health Center, Inc.

SAGA Coalition Members

Advocacy Unlimited, Inc.
AIDS LIFE Campaign
Alliance for Living
Charter Oak Health Center, Inc
Collaborative Center for Justice
Community Action Agency of Greater Stamford
Community Health Services, Inc
CT AIDS Residence Coalition
Connecticut Association for Human Services
Connecticut Association of Nonprofits
CT CALL TO ACTION
Connecticut Chapter, American Academy of Pediatrics
Connecticut Community Providers Association, Inc
Connecticut Council of Family Service Agencies
Connecticut Food Bank
Connecticut Hospital Association
CT HIV Consumer Council
Connecticut Legal Services
CT Local Administrators of Social Services
Connecticut Oral Health Initiative (COHI)
Connecticut Primary Care Association
Connecticut TransAdvocacy Coalition.
Connecticut Women's Education and Legal Fund
CT Women's Consortium
DemocracyWorks
End Hunger CT!
Greater Hartford Legal Aid
Greenwich Department of Social Services
Health Care for All Coalition
Human Services Department, City of Bridgeport
In-the-Making Inc, Waterbury
Isaiah 58 Ministries/Covenant Soup Kitchen
LAUREL HOUSE
Legal Assistance Resource Center of Connecticut
National Alliance for the Mentally Ill, Connecticut
National Association of Social Workers, Connecticut Chapter
National Council of Jewish Women
National Multiple Sclerosis Society
New Jerusalem Church of God in Christ
National Spinal Cord Injury Association, Connecticut Chapter
New Haven Home Recovery, Inc
New Haven Legal Assistance Association
Northeast Community Food Collaborative
Partnership for Strong Communities
Peter's Retreat/Center City Churches
Planned Parenthood of Connecticut
Quinnipiac University School of Law Health Law Clinic
St. Luke's LifeWorks/Bread & Roses
South Central Behavioral Health Network
Torrington Chapter of FISH
United Churches of Christ, Connecticut Conference
West Hartford Interfaith Housing Coalition
Windham Area Interfaith Ministry (WAIM)
Windham Regional Community Council
Windham Region No Freeze Project