

**TESTIMONY OF YALE NEW HAVEN HEALTH SYSTEM
BEFORE THE APPROPRIATIONS COMMITTEE
February 17, 2005**

**HB 6671, An Act Concerning the State Budget for the Biennium
Ending June 30, 2007, and Making Appropriations Therefore**

Yale New Haven Health System, comprised of Bridgeport, Greenwich and Yale-New Haven Hospitals, appreciates the opportunity to comment on HB 6671, An Act Concerning the State Budget for the Biennium Ending June 30, 2007, and Making Appropriations Therefore. In particular, this testimony will relate to the proposed funding cuts to Department of Social Services programs.

There are over 43 million people in the nation without health insurance. In Connecticut, changes made to Medicaid, SAGA and HUSKY in the Fiscal Year 2004-05 Biennium Budget exacerbated this crisis. Recognizing this fact, last year, the Legislature restored some of the funding for state fiscal year (SFY) 2005. Last week, the Governor unveiled a series of budget cuts that will severely impact our patients along with the financial stability of hospitals.

First, the Governor's budget seeks to reduce funding in the disproportionate share pool (DSH) by \$10 million in SFY 07. 25% of the cut, or \$2.5 million, will be borne by YNHHS affiliates. The proposal also seeks to reduce funding in the Urban DSH Pool by \$5 million in SFY 07. In this case, Yale-New Haven and Bridgeport Hospitals will share 30% of the proposed cut which will impact 10 urban hospitals. The DSH and Urban DSH pools were created to help soften the blow of inadequate Medicaid reimbursement. Decreasing this source of funding without addressing the historical Medicaid under funding issue is short-sighted and will negatively impact the very hospitals that care for our most fragile citizens.

Among other cuts, the proposal seeks to impose co-pays of up to \$3.00 per visit under Medicaid fee-for-service programs for doctor, outpatient and pharmacy visits. Last year, the Legislature wisely eliminated a \$1.50 co-pay for these exact programs. To reinstitute the co-pays at a 100 percent increase adds another barrier to care for the poorest in our communities.

We recognize that the State faces fiscal challenges that will lead to difficult decisions. We fully understand fiscal challenges as we struggle with caring for an increasing number of uninsured and underinsured patients; staggering Medicaid shortfalls; and spiraling costs of medical liability insurance. As projected by the Connecticut Hospital Association, the Governor's proposals will cut hospital funding by an estimated minimum of \$39 million over the two-year budget.

Yale New Haven Health urges your opposition to the Governor's proposed reductions made to the DSH and Urban DSH pools, as well as other reductions to hospital funding. The state relies on hospitals to be the healthcare safety net for all those needing care, regardless of their ability to pay. Hospitals rely on the state to be the insurer of last resort for Connecticut's most vulnerable citizens. Please do not attempt to balance the budget through health care funding cuts. Thank you for your consideration of this very important issue.