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OHCA Report Reaffirms the Need for Investment in Connecticut's Hospitals

Wallingford, Connecticut, January 24, 2007 — Yet another state government entity – this time, the Office of Health Care Access (OHCA) – has determined Connecticut's hospitals to be in increasingly fragile financial condition. The *Annual Report on the Financial Status of Connecticut's Short-Term Acute Care Hospitals*, issued today by OHCA, finds more hospitals showing negative operating and total margins than in previous reports by the agency.

“With the release of this report, we have yet another affirmation of the seriousness of this issue,” said Jennifer Jackson, President and CEO of the Connecticut Hospital Association (CHA). “Immediate and significant investment is critically necessary to ensure that Connecticut residents continue to receive the high quality, state-of-the-art healthcare services they have come to expect.”

The OHCA report states that Connecticut hospitals are struggling with “ongoing operating losses” and that these losses “directly affect their ability to reinvest in their facilities and expand services.” It further notes that “a hospital must earn sufficient income to improve facilities and replace equipment as they become worn out or obsolete, to keep pace with technological changes, and to meet the changing health care needs of the community.”

“This is the second report within the last month to validate our assertion that Connecticut hospitals are experiencing severe financial pressures, and that quality may be at risk,” continued Jackson.

The earlier report, *Funding of Hospital Care in Connecticut*, was released in mid-December 2006 by the Legislative Program Review & Investigations Committee. This report clearly stated that underpayment for medical care provided to state-assisted individuals is having a significant impact on the financial stability of Connecticut’s hospitals. The report recommended changes in the way the state reimburses hospitals for care provided to Medicaid and other state-assisted beneficiaries.

“The financial pressures our hospitals are facing show no signs of abatement,” said Jackson. “In fact, they will only be exacerbated as the demand for services continues to escalate. We are experiencing steady increases in patient days, discharges, and emergency department visits—a trend we anticipate will continue, given the growing elderly population in this state.”

“Connecticut hospitals are the cornerstones of their communities and key contributors to our overall quality of life – just like strong schools, safe streets, and good jobs,” said Jackson. “Investment is needed now to avert a looming crisis in care. During this legislative session, our elected officials must make hospitals a priority by providing full reimbursement for what it costs to provide care to Medicaid and SAGA patients, and by investing in initiatives to strengthen the healthcare workforce and address the overcrowding of Connecticut’s emergency rooms.”

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