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Investment in the Future Must Include Investment in Hospitals

Wallingford, Connecticut, February 7, 2007 – Calling on Connecticut residents to support strong investment in future generations, Governor M. Jodi Rell unveiled her plans to expand educational programs and other critical state infrastructure in her proposed biennial budget.

“Investment in Connecticut’s future will not be complete without taking strong measures to strengthen the healthcare safety net,” said Jennifer Jackson, President and CEO of the Connecticut Hospital Association (CHA). “Hospitals in Connecticut are disappointed that the budget does not contain vitally needed increases in hospital Medicaid rates.”

“Hospitals are key elements of the state’s infrastructure that require investment because they are just as important to our quality of life as good schools and safe streets,” said Jackson. “However, the future ability of hospitals to continue providing care depends on securing payment for services provided to individuals enrolled in the state’s Medicaid and SAGA programs.”

This budget proposal comes within days of proposed deep federal cuts in Medicaid and Medicare programs, which would mean a loss of \$315 million dollars to Connecticut hospitals over the next five years. Connecticut’s hospitals cannot withstand the implications of these cuts when they are already in precarious financial condition.

Two recent government reports have stated that Connecticut hospitals are suffering long-term consequences from under-reimbursement that impinge upon their ability to adequately plan for the future and provide the fullest range of services. The first of these reports was released in December by the Legislative Program Review and Investigations Committee, and the second was issued in January by the Office of Health Care Access.

“These independent reports, which affirm the weakening financial condition of Connecticut’s hospitals, should be of tremendous concern to our communities and policymakers. Connecticut hospitals need to be paid what it costs to serve individuals enrolled in the Medicaid program,” said Jackson.

CHA supports the Governor’s focus on increased access to health insurance coverage and investment in areas such as chronic disease management and electronic health records.

“Connecticut hospitals look forward to working with the Governor and members of the Legislature not only to expand access but to ensure strong, stable hospitals and a quality healthcare system for generations to come,” concluded Jackson.

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