



FOR IMMEDIATE RELEASE

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CHA STATEMENT ON TODAY'S COST GROWTH BENCHMARK HEARING

The Connecticut Hospital Association Calls for Action on Missed Opportunities to Address Healthcare Affordability

WALLINGFORD – The **Connecticut Hospital Association (CHA)** released the following statement in response to today's Healthcare Cost Growth Benchmark Hearing held by the Connecticut Office of Health Strategy (OHS):

“CHA supports work to address healthcare costs and has been an active partner in the benchmarking process since the Governor's executive order was issued in 2020 initiating the process. This work will be successful if it not only improves affordability, but also preserves high-quality, timely, and world-class care in Connecticut that every patient deserves. That's why together we must confront the shortcomings in the process, and work to ensure that all stakeholders that impact the quality and cost of healthcare are part of the solution. If cost growth benchmarking does not accurately reflect all factors that affect healthcare spending it will not be successful in helping patients. Thus far, the process has generally ignored the strain of historic, onerous inflation that every person, family, and employer in Connecticut – including every hospital and health system – is feeling. No significant attention has been paid to the impact of the global COVID pandemic, increased patient need, and other factors that drive up costs. Additionally, the state must standardize its approach to measuring benchmark attainment, including moving toward a fair, sound, and scientific method to assess performance in this process. All stakeholders must be part of the process to define the data and analytics we need to identify actionable mitigation strategies to help all patients.

“Under the current benchmarking process, the state has missed significant opportunities to accurately capture the extreme inflationary pressures being experienced by the healthcare system, the impact of the COVID pandemic, and factors such as Medicaid underfunding that put pressure on commercial healthcare spending. Skyrocketing inflation, astronomical drug prices, supply chain disruptions, workforce shortages, sicker patients, an increase in high deductible health insurance plans leaving people underinsured, and insurance driven administrative costs, for example, are all significant factors that affect the cost of care. In addition, government payer underfunding continues to create a cost shift that adds burdens to hospitals and drives up what patients pay for healthcare. Furthermore, Medicaid underfunding is also depriving people who are medically underserved of access to needed care and social supports, which are major contributors to health disparities and the need for care in the first place. Benchmark values must reflect the current economic reality, the extreme costs being shouldered by hospitals and health systems, and the growing needs of patients. By not reflecting these pressures, the state is missing the opportunity to address the root causes driving cost growth.

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“Connecticut is at a critical point in defining what we as a state want healthcare to look like to create healthier communities and better health outcomes. We have the momentum coming out of the pandemic to build on our collaborative work to deliver high-quality, affordable, accessible, and equitable care when faced with unprecedented challenges. It’s disappointing that the state included in today’s hearing a national interest group that has a history of placing blame on care providers and that has little knowledge of what’s occurring here in Connecticut. We must remain focused on solutions that work for Connecticut developed with input from Connecticut communities. No single stakeholder can work in isolation. A sustainable solution involves payers, hospitals, health systems, physicians, pharmaceuticals, state and federal government, and patients. Working together to get this right is critically important to the future success of the benchmarking process, and meeting the needs of all patients.”

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