Governor Lamont’s FYs 2020-2021 Budget Cuts Hospitals

Yesterday, Governor Ned Lamont released his FY 2020-2021 budget. The $43 billion two-year budget attempts to address an estimated $3.5 billion deficit. If adopted, the proposed budget would increase state spending over the next two years, to $21.2 billion in the next fiscal year and $21.9 billion in FY 21. These increases amount to 1.7 percent above current levels in FY 20 and 3.4 percent above current levels in FY 21.

Among other things, the budget:

- Rejects the current hospital agreement, which calls for $384 million in hospital taxes and supplemental payments to hospitals.
- Instead, the proposed budget would increase the tax to the FY 18 and FY 19 tax level of $900 million, but reduce supplemental payments by $43 million – to $453 million.
- Reduces hospital inpatient payments resulting from the implementation of the 3M Latest APR-DRG Grouper, for a reduction of approximately $60 million in FY 20 and approximately $62 million in FY 21. (The budget proposes to restore partially the $230 million reduction from the implementation of the Grouper.)
- Links hospital payments to readmission rates, for a reduction of $6.1 million in FY 20 and $7.3 million in FY 21.
- Sets a ceiling on the maximum price that the state employee health plan will pay for services (hospitals and providers) based on a percentage (not yet defined) above the Medicare payment rate.
- Increases utilization management in the Medicaid program for a reduction of $1.4 million in FY 20 and $9.8 million in FY 21.

In his budget address, Governor Lamont noted, “I am going to sit down with legislative leadership and the hospitals to restart a more collaborative conversation about their role in ensuring Connecticut’s physical health and fiscal health.”

In response to the Governor’s budget, Jennifer Jackson, CEO, CHA released the following statement:

We are strongly opposed to the proposed budget. The current Administration is not honoring the bipartisan agreement for this year or next year, and the budget makes additional cuts to hospitals.

Hospitals and health systems are key to the state’s economic recovery and employ more than 100,000 people in Connecticut. We continue to be willing partners to find a sustainable solution, but this is not it.

The budget will now be referred to the General Assembly’s Appropriations and Finance and Revenue Bonding Committees for review and action, and the Committee will hold a series of public hearings over the next two weeks.

Special Elections to be Held February 26

Special Elections will be held on Tuesday, February 26, 2019, to fill five legislative seats vacated when three State Senators and two State Representatives opted to join Governor Ned Lamont’s Administration instead of filling their respective legislative seats.

- In the 3rd State Senate District (East Hartford, East Windsor and South Windsor, and part of Ellington), Republican Sarah Muska will face South Windsor Democratic Mayor Saud Anwar, MD
- In the 5th Senate District (Burlington and West Hartford, as well as portions of Bloomfield and Farmington), Democrat State Representative Derick Slap will face Republican Bill Wadsworth and Independent Party candidate Jeff Przech
- In the 6th Senate District (Berlin and New Britain, as well as part of Farmington), Republican Gennaro Bizzarro will face Democrat State Representative Rick Lopes
- In the 39th House District (New London), Republican Kat Goulart will face Democrat Anthony Nolan, petitioning candidate Jason Catala; and Green Party candidate Mirna Martinez
- In the 99th House District (East Haven), Democrat Josh Balter will face Republican Joe Zullo

With the vacancies, the Democrats now hold majorities of 20-13 in the Senate, and 90-59 in the House.

CHA Annual Meeting Awards - Call for Nominations

We are pleased to announce the call for nominations for the CHA Annual Meeting awards. The presentation of the awards is an important part of the CHA Annual Meeting and a valuable opportunity to showcase Connecticut hospitals, health systems, and staff achievements. Award applications/nominations are linked below.

The 2019 John D. Thompson Award for Excellence in the Delivery of Healthcare Through the Use of Data recognizes outstanding achievement in patient care quality initiatives. It is sponsored by CHA’s education and research affiliate, the Connecticut Healthcare Research and Education Foundation (CHREF). All CHA members are encouraged to apply. Click here for an application.

The 2019 Connecticut’s Hospital Community Service Award is an excellent opportunity for recognition of outstanding achievements in community service. The award is sponsored jointly by CHA and the Connecticut Department of Public Health (DPH). Click here for an application.

CHA’s Healthcare Heroes Awards celebrate the invaluable contributions of healthcare workers, both to their field and to the community at large. CHA is seeking nominations from both direct patient care and non-clinical areas of CHA member facilities.
Ten healthcare heroes, selected by a panel of judges, will be awarded a $100 cash prize. Click here for an application. All entries must be received by Friday, March 22, 2019. Winners will be honored at the CHA Annual Meeting on Thursday, June 20, 2019.

CHA Program to Highlight the Physician Payments Sunshine Act

CHA will host a program to help physicians and physician leaders, compliance officers, medical staff office personnel, supply chain/materials management, and quality, legal, and risk professionals understand the Physician Payments Sunshine Act.

The Don’t Let the Sunshine Blind You! Be Prepared—Understanding the Physician Payments Sunshine Act and the Open Payments Program will be held on Tuesday, March 12, 2019, from 9:00 a.m. - 11:00 a.m. To learn more and register click here: View Brochure | Event Registration

The program will be led by Patrick Kenney, MD, Medical Director of Corporate Supply Chain at Yale New Haven Health, Clinical Vice Chair of the Yale Department of Urology, and Clinical Program Leader for Genitourinary Oncology at the Smilow Cancer Hospital, and Tanya White, MBA, CHC, System Compliance Operations Officer for Yale New Haven Health and the L+M Health Compliance and Privacy Officer.

The Physician Payments Sunshine Act, part of the Affordable Care Act, was established as a national disclosure program requiring medical product manufacturers to disclose to the Centers for Medicare and Medicaid Services (CMS) any payments or other transfers of value made to physicians or teaching hospitals.

The Centers for Medicare & Medicaid Services (CMS) oversees the annual release of these data, which have been collected since 2013. A 45-day review and refute period begins on April 15, 2019, with the information being made public on June 30, 2019.

This program will:

- Provide tips and resources to help physicians and teaching hospitals review their Open Payments data
- Define Physician Preference Items and describe the impact on costs and relationships with the industry
- Discuss recent conflict of interest cases (COI) and what they mean for hospitals
- Recommend tools to help conduct investigations and implement effective COI management plans

Education Updates

Managing the Operating Budget
Thursday, March 7, 2019
9:00 a.m. - 3:00 p.m.
View Brochure | Event Registration

Managing the Operating Budget is a day-long program designed to introduce managers to a variety of analytic tools (revenue and spending analysis, volume adjusted variance analysis, work process and root cause analysis, revenue and expense forecasting) as well as a number of strategies to improve revenue and expense performance. The program will assist managers in understanding revenue and cost behavior, how to analyze departmental performance, and how to modify performance to achieve budgeted operational and financial objectives.

Financial Analysis Tools for Managers
Friday, March 8, 2019
9:00 a.m. - 3:00 p.m.
View Brochure | Event Registration

Financial Analysis Tools for Managers is a full-day program that offers managers and clinicians tools they can use to answer operational questions about current performance and strategic opportunities they are considering. The program will help managers and directors make and support operational decisions.

HRO: Safety Event Classification
Friday, March 15, 2019
9:00 a.m. - 3:45 p.m.
Event Registration

When events occur in the hospital or ambulatory practice, they must be evaluated to assess whether the event is a Serious Safety Event, a Precursor Safety Event, or a Near Miss Safety Event. This session will review how the classification scheme works, and how to utilize and standardize event classification.

Staff to Management: Starting the Transition
Monday, March 25, 2019
9:00 a.m. - 3:00 p.m.
View Brochure | Event Registration

This program will provide guidance for staff transitioning to supervisor/manager. This significant step requires the ability to use diplomacy, negotiation, persuasion, and alliance-building skills. Managing the demands of an organization for high productivity and quality, combined with financial prudence and regulatory compliance, are only part of the equation. Participants will discover that those tasks must be balanced with an excellent grasp of human relations skills in working closely and collaboratively with others and managing change.

Conflict Management: Engaging the Difficult Employee
Tuesday, March 26, 2019
9:00 a.m. - 3:00 p.m.
View Brochure | Event Registration

This full-day, interactive program, based on best practices in leadership theory, will provide communication methods and tools for navigating the challenging maze of different personalities and communication styles to better manage conflict. Different personalities, different work styles, cultural/ethnic norms, and differences in generational mix lead to the possibility of conflict surfacing at work. The program will explore the role conflict plays in the process of change and effective team problem solving—both major factors in improving organization performance.