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CHA Provides Testimony on Hospital-Related Bills

Hospitals from across the state provided unified and passionate testimony during a March 8 hearing in support of HB 5588, An Act Concerning The Timing Of Payments From Supplemental Inpatient Payment Pools For Short-Term General Hospitals, a bill that would require the state to make quarterly payments to hospitals that include the federal share estimated in the budget.

The proposed legislation comes in response to the state’s recent decision to withhold about $140 million in payments due to hospitals this fiscal year. To date, the state has only paid hospitals $22 million, but will collect $556 million from hospitals under the provider tax. This means hospitals are only being reimbursed four percent of what they pay to the state.

Hospital officials told lawmakers on the Human Services Committee Tuesday that the state’s refusal to make payments has had a detrimental effect on their ability to continue providing services and make capital investments. Hospitals also described the contributions they make in their communities – contributions that could be significantly harmed by the state’s failure to reimburse them millions of dollars for Medicaid services already provided.

Robert Smanik, President and CEO of Day Kimball Healthcare, testified that the loss of state funding will amount to a net annual tax of $5.6 million and an unexpected loss of $3.8 million in promised funds for his organization. He said Day Kimball has already had to cut expenses, close physician offices, reduce its workforce by more than 100 positions, and make adjustments to wages and benefits.

“To be candid, I sit before you today in shock,” said Mr. Smanik. “As we face the loss of this critical funding yet again, the only conclusion I can reach and thus share with our community is that our state doesn’t care; that our Governor doesn’t care; and that access to healthcare and jobs for the 100,000 people in the northeast corner of our state is expendable.”

Charlie Johnson, Chief Financial Officer for Hartford HealthCare, told the Committee that “the loss of funds of this magnitude at this point in the fiscal year for services that have already been provided was a real gut punch from which we are still reeling.” He said Hartford HealthCare has lost $287 million and more than 1,000 positions since the provider tax was implemented in 2012, and has removed several hundreds of millions in its cost structure, which means it is only expected to “break even” from operations this year.

George Eighmy, Vice President of Finance and CFO for Bristol Hospital, said his organization will take a $5.5 million hit due to state funding cuts in 2015 and 2016, which is five percent of its overall operating budget. In the last year, he said, Bristol has had to reduce staff by 59 full-time positions.

“Those were painful cuts, cuts to the bone with no stone left unturned and nothing left to cut,” said Mr. Eighmy. “Should the supplemental payments due Bristol Hospital not be made, it will realize another cut of $5 million. That would be additional to the already planned cuts of $5.5 million. We cannot absorb a $10.5 million cut.”

Chris Hartley, Senior Vice President, Trinity Health-New England, told the Committee that his hospital system is “suffering under severe financial stress at this time.” Mr. Hartley said the combination of a $42.9 million tax obligation to the state and the reduction in Medicaid payments have forced the hospital to postpone new equipment purchases, delay salary increases, abandon building improvements, and eliminate over 100 positions.

Patricia Jagoe, RN, Assistant Vice President, Patient Care Services/CNO, Johnson Memorial Hospital, testified that for the state to “arbitrarily not pay what is owed to hospitals from the inpatient payment pools will devastate a small hospital like Johnson Memorial.” She said her hospital stands to lose $5 million if the state reneges on its commitment to make the payments.

Karen Zrenda, who works for Yale-New Haven Children’s Hospital as a support for families of children with chronic and special healthcare diagnoses, spoke about the hospital’s committed and caring staff, and warned lawmakers that cutting funding for acute care hospitals is dangerous.

“I have to believe those suggesting withholding hospital payments, and perhaps never paying them at all, as was suggested by Secretary Barnes last week, have had the good fortune of not needing these critical care hospitals” said Ms. Zrenda. “Ignorance is bliss – but it will do more harm than good.”

In addition, Stephen Frayne, Senior Vice President, Health Policy, CHA, urged lawmakers to consider new legislation that would allow hospitals to deduct money from what they owe to the state under the provider tax, in the event that the administration fails to make the payments.

In response to hospital testimony, members of the Human Services Committee spoke in strong support of hospitals and against the Malloy administration’s withholding of payments. Committee members agreed that the issue was a bipartisan priority and pledged to ‘force the hand’ of the administration to make good on the promise to fund hospital care.

In addition, the following hospitals submitted testimony in support of HB 5588: Griffin Hospital, Waterbury Hospital, Western Connecticut Health Network, Stamford Hospital, and Yale New Haven Health System.

CHA Provides Testimony on Hospital-Related Bills
Jim Iacobelli, Senior Vice President, Government and Regulatory Affairs, CHA, testified before the Public Health Committee on Monday, March 7, on **SB 351, An Act Concerning Matters Affecting Physicians And Hospitals.** SB 351 makes several changes to the laws impacting hospitals, healthcare, and physicians.

CHA testified in opposition to the attempt to codify Connecticut's corporate practice of medicine doctrine because it would impact the vast majority of physicians who provide care at hospitals who are not employed by the hospital, but are private attending physicians who have staff privileges, by not allowing them to attend to their patients admitted to hospitals.

CHA also expressed concerns about the provisions in the bill that would impose restrictions on certain employer-employee contractual agreements around "covenant not to compete" clauses. In his testimony, Mr. Iacobelli said hospitals oppose this provision because it would treat physician contracts with hospitals, health systems, medical schools, and medical foundations differently than physician contracts with other entities and groups that contract for a physician's identical services, thus providing an uneven playing field for hospitals.

This week, CHA also provided testimony on the following bills:

- **SB 352, An Act Concerning Prescriptions For And The Dispensing Of Opioid Antagonists,** which would permit prescribing practitioners to issue a standing order to pharmacists to permit them to dispense an opioid antagonist in a nasal form to a person without a patient-specific prescription. CHA testified in support of the bill.
- **SB 353, An Act Concerning Opioid Abuse,** which would add members to the Connecticut Alcohol and Drug Policy Council and specify requirements for the Council's statewide plan, allow for the provision of auricular acupuncture services outside of private, freestanding facilities, and allow primary care providers and licensed alcohol and drug counselors to provide certain services relating to patients' substance abuse. CHA testified in support of the bill, but expressed concern about a subsection of the bill that could lead one to conclude that a primary care provider may ONLY prescribe an opioid if the patient agrees to a referral to a licensed alcohol and drug counselor. CHA asked for the Committee to clarify the language to avoid misinterpretation.
- **HB 5537, An Act Concerning Various Revisions To The Public Health Statutes,** which would make revisions to the public health statutes. CHA testified in support of portions of the bill, but expressed concern about some sections, such as Section 5, which redefines certain mental health facilities as adult only, which could limit access to older teens who already access the facilities.
- **SB 313, An Act Concerning Biological Products,** which would add biological products to existing law regarding substitution of generic drugs. CHA expressed concerns that the bill will result in barriers in access to care for patients being served at pharmacies.
- **HB 5596, An Act Concerning The Liability Of Employers For Hospital Services In Workers’ Compensation Cases,** which would require the Labor Commissioner, in consultation with the Chairman of the Workers’ Compensation Commission, to conduct a study regarding the liability of employers for hospital services in workers’ compensation cases. CHA requested that, instead of the creation of a study, the Labor and Public Employees Committee repeal Section 459 of PA 15-5 of the June Special Session.

### Join Us for Hospital Day at the Capitol Next Week

CHA has planned Hospital Day at the Capitol for Wednesday, March 16, 2016, from 9:00 a.m. to 3:00 p.m.

This will be an important day for discussions with legislators about issues that are critical to hospitals, including cuts and taxes in the proposed budget as well as regulatory burdens that would negatively affect hospitals. Of particular concern is the Malloy administration’s recent decision to suspend millions of dollars in payments owed to hospitals for Medicaid services. A press conference addressing these issues will be held at 2:30 p.m.

We also plan to use this opportunity to reinforce our message that hospitals play a critical role in preserving, protecting, and improving the lives of all the people in Connecticut. Hospitals contribute $21.3 billion to the state and local economies. Connecticut hospitals and their related entities employ more than 85,000 people. They invest $1.5 billion in community benefit initiatives each year.

In addition to encouraging providers to participate in Hospital Day at the Capitol, we continue to ask people to join our electronic letter writing campaign by clicking [here](#StopTheCutsNow). Thank you for participating in Hospital Day at the Capitol. It is going to be an important day for us to have discussions with our legislators about the issues that are critical to hospitals.

### Hospital Executives Discuss Challenges of Changing Industry at Cabinet Meeting

Executives from the Connecticut Hospital Association (CHA), Hartford HealthCare, Lawrence + Memorial Hospital, and the Yale New Haven Health System appeared before the state's Health Care Cabinet on March 8 to present their views on the economics and challenges of the changing healthcare industry.

Panelists included Marna Borgstrom, President and CEO, Yale New Haven Health System; David Whitehead, Senior Vice President, Chief Strategist, and Transformation Officer at Hartford HealthCare; Rocco Orlando, MD, Chief Medical Officer, Hartford HealthCare; Seth Van Essendelft, CFO, Lawrence + Memorial Hospital; and Jennifer Jackson, CEO, CHA.

Hospitals are facing "unprecedented changes," said Marna Borgstrom, President and CEO, Yale New Haven Health System. She described how the hospital system’s planned acquisition of Lawrence + Memorial Hospital was undertaken only after her organization considered carefully whether the merger would “drive quality and preserve access to care, while maintaining price neutrality.” Ms. Borgstrom said, adding that the acquisition of the Hospital of Saint Raphael’s generated more than $200 million in savings and preserved 3,000 jobs in New Haven.

“Hospital integration is one of the ways hospitals can stay afloat,” noted David Whitehead, Senior Vice President, Chief Strategist, and Transformation Officer at Hartford HealthCare, in reference to the Governor’s executive order putting a moratorium on some hospital mergers. Mr. Whitehead spoke about the importance of allowing hospitals to merge as a way to contain costs and provide “excellent, integrated care.”

Hospital panelists described the challenges of serving significant populations of Medicare and Medicaid patients at the same time state reimbursement for these services diminishes.
"We are seeing really dramatic underpayment for the government side," said Seth Van Essendelft, CFO, Lawrence + Memorial Hospital, adding that acute-care hospitals should ideally have a 3 percent operating margin to maintain credit worthiness and finance capital expenses but, because of the provider tax and the disappearing reimbursement for Medicare and Medicaid, this operating margin is vanishing.

Hospital executives cautioned members of the panel not to attempt too much reform at one time, saying it would be wiser to address one issue at a time, such as trying to create better outcomes for specific groups of patients, such as children with chronic diseases or people with chronic behavioral health problems.

The Health Care Cabinet is studying healthcare regulation efforts in other states to identify where Connecticut could control costs, enhance competition, and improve health outcomes. Members include health insurance and provider representatives including Kurt Barwis, President and CEO, Bristol Hospital, as well as state regulators, a labor representative, and consumer advocates.

**Connecticut Hospitals Invest $1.5 Billion in Community Benefit Initiatives in 2014**

Connecticut hospitals play a unique and critically important role in their communities – a role that continues to grow. In 2014, Connecticut hospitals provided more than 13.2 million services to individuals and families at a cost to them of $1.5 billion — that's 14 percent of total hospital revenue, according to the Connecticut Hospital Association's [2016 Community Benefit Report](http://ctosp.org/press_room/update.cfm), released today. These include outreach and support services for cancer, diabetes, asthma, and other chronic conditions, community-based care, support groups for young parents, education for the next generation of healthcare professionals, and many other programs targeted to meet specific community needs.

In 2014, Connecticut hospitals benefitted their communities in many ways.

- $710.5 million: Unpaid government-sponsored healthcare (Medicaid)
- $471.6 million: Unpaid government-sponsored healthcare (Medicare)
- $247.6 million: Uncompensated care: Charity care/bad debt to provide services for those who cannot pay
- $39.6 million: Community services to improve the health of the community
- $16.9 million: Research and other programs to advance healthcare for patients and the community
- $9.2 million: Donations to help support community organizations
- $8.0 million: Community building to create stronger, healthier communities
- $4.4 million: Subsidized health services to provide care needed by the community

"In addition to providing core healthcare services to everyone in Connecticut, 24 hours a day, regardless of ability to pay, Connecticut hospitals offer significant community benefit programs that improve peoples' lives," said Jennifer Jackson, CEO, CHA. "But hospitals can't keep providing all the community benefit services that they do today if the state continues taxing them at nearly 30 times what any other organization pays, and refuses to provide them with the payments that are due for the care they have provided. We are asking legislators to help get the hospitals the funds they earned for caring for patients."

**WCHN Launches New Engagement Campaign - We Know You Well!!**

Western Connecticut Health Network (WCHN) announced a new branding campaign that is centered on personalized care without compromise. Under the new WCHN brand tagline "We Know You Well," the campaign personalizes the healthcare experience and dialogue, placing the patient at the center of the network's efforts.

The new branding campaign is in sync with the regional network identity articulated by WCHN President and CEO John M. Murphy, MD — that WCHN provides high-value healthcare to residents of Western Connecticut and nearby New York with patient health and wellness at the center.

"We take care to put the patient at the center, and take pride in keeping people well, instead of just treating the sick. At WCHN, our patients are people first: we know them from our neighborhoods, schools, and communities. Those connections are what make us unique and allow us to humanize their healthcare in a very personal way," said Dr. Murphy.

Beyond the advertising campaign itself, WCHN has developed an entirely new unified brand identity, including a new logo that symbolizes its outstanding capabilities as a network coming together to meet the unique needs of the people it serves.

"This campaign drives our work in many new and exciting ways," added Dr. Murphy. "At WCHN we are committed to inspiring a healthier and happier community with programs designed to not only treat disease, but to also prevent it through education, screenings, and healthy living. Beyond our walls, we have an extensive network of aligned physicians and healthcare professionals working in tandem to ensure an exceptional and holistic experience for consumers at every touch point."

View the campaign video [here](http://www.youtube.com/watch?v=)

**Join Us for the 14th Annual Patient Safety Summit**

Please join us for CHA's 14th annual Patient Safety Summit, co-sponsored with Qualidigm and the Connecticut Association of Healthcare Executives, on March 24, 2016, from 9:00 a.m. to 3:00 p.m.

The 2016 Patient Safety Summit will offer multiple sessions and perspectives on worker safety and worker engagement—the next step on the High Reliability journey.

We are pleased to announce that Pamela F. Cipriano, PhD, President, American Nurses Association (ANA), will join us for a presentation on worker mobility issues, and Rachel Kaprielian, Regional Director U.S. Department of Health and Human Services, will share information on labor and workforce development.

The Summit will kick off with Jerolyn Ireland’s story. Ms. Ireland is a nurse who suffered harm at the hands of the healthcare system. Diagnosed with a benign meningioma in her brain, she suffered a MRSA infection and, subsequently, her hospital lost a piece of her skull.
The Summit will also include presentations on workplace safety initiatives under way in long-term care facilities in partnership with Qualidigm, and a closing presentation on worker safety from Jackie Conrad, Cynosure Health Solutions. Ms. Conrad is a consultant with AHA's Partnership for Patients HEN 2.0 collaborative.

Please see the Event Registration for details.

Education Updates

Staff to Management: Starting the Transition
Wednesday, March 16, 2016
9:00 a.m. - 3:00 p.m.
View Brochure | Event Registration

Making the transition from being a staff person one day to a supervisor/manager the next is a significant step. Transitioning from individual contributor to being effective in a leadership role is far more challenging and complicated than ever before and requires the ability to use the tools of diplomacy, negotiation, persuasion, and alliance-building to a greater degree than one used in the past. Managing the demands of your organization for high productivity and quality, combined with financial prudence and regulatory compliance, are only part of the equation. You 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.

Continuing education credits will be awarded. Please see the brochure for more details.

Conflict Management: Engaging the Difficult Employee
Thursday, March 17, 2016
9:00 a.m. - 3:00 p.m.
View Brochure | Event Registration

It is clear to almost everyone that conflict is inevitable in life—in our personal lives as well as in the workplace. Different personalities, different work styles, cultural/ethnic norms, and differences in generational mix, all lead to an endless possibility of conflict surfacing at work.

What is not so clear is the role conflict plays in the process of change and effective team problem solving—both major factors in improving organization performance. How can we recognize and manage the sources and trigger points of conflict? When is conflict healthy—what makes it destructive? How can we reduce or defuse unnecessary conflict? What are the various styles of dealing with conflict, and the risks and benefits of each approach?

Continuing education credits will be awarded. Please see the brochure for more details.

2016 CHA Regulatory Compliance Conference
Wednesday, April 6, 2016
9:00 a.m.- 3:45 p.m.
View Brochure | Event Registration

Join us for CHA's Regulatory Compliance Conference, which will feature the keynote presentation "Lessons Learned: Hospitals, Hacktivists. Hindsight." This presentation by Daniel Nigrin, MD, Senior Vice President and Chief Information Officer, Division of Endocrinology, Boston Children’s Hospital, and Assistant Professor of Pediatrics, Harvard Medical School, will describe the recent experience of Boston Children's following a hacktivist attack.

Following Dr. Nigrin’s keynote address and continuing the theme of privacy and security, attorney Jennifer Cox, Cox & Osowiecki, will present a session on "Patient Access in the Electronic World." Additionally, attorneys from Wiggin and Dana and Yale-New Haven Hospital will share information on the use of personal recording devices by patients, providers, and visitors, as well as cover the new rulings on employees and social media rights. The Conference will conclude with a presentation on e-discovery by Kristen Connors, Carmody Torrance Sandak & Hennessey, on the type of information potentially available to jurors regarding Facebook posts made by plaintiffs or defendants.

This Conference is specifically designed for compliance officers, risk managers, in-house legal counsel, and others interested in privacy, security, and the impact of social media.

Basics of Budgeting for Healthcare Managers
Friday, April 8, 2016
9:00 a.m. - 3:00 p.m.
View Brochure | Event Registration

Many healthcare department managers have traditionally risen from the professional ranks as successful clinicians or technicians but with little or no formal business financial training. As a result, many are thrust into a chaotic environment without the necessary tools in financial management. Skills in planning and budgeting are essential if they are to achieve the institution's mission and contribute to "bottom line" results, particularly in an environment of chronic federal and state underfunding. In a very real sense, these represent survival skills for both managers and organizations. This member-requested management development program provides managers with the skills and tools they need to prepare better budgets; identify problems and solutions; achieve the mission, and succeed in today's volatile healthcare environment. Participants will gain a working knowledge of operating and capital budgets, as part of developing performance planning skills.