CHAs Senior Vice President of Finance at Yale-New Haven Hospital, presented statewide data on Medicaid underfunding and how it creates a “vicious cycle” of increases in the number of uninsured, cost shifting, and hospital operating losses. Citing the Legislative Program Review and Investigations Committee report and annual data from the Office of Health Care Access (OHCA), Mr. Staten showed the Subcommittee members the amount of Medicaid and uncompensated care shortfalls and urged them to make a recommendation calling for Medicaid reimbursements to cover the full cost of service.

In his presentation to the Task Force on October 16, Mr. Frayne summarized the issues with the state’s chronic Medicaid underfunding, suggesting that members consider the "cuts, freezes, and promises not kept" in the Medicaid program, and then focused on financial challenges related to Medicare underpayment. Mr. Frayne noted that Medicare rate increases to Connecticut hospitals in the last decade have been about one-third of expected hospital cost increases over the same period. Warning Task Force members that hospitals are facing substantial Medicare cuts next year if a proposed change to the wage index is adopted by the federal Centers for Medicare and Medicaid Services (CMS), he requested that members of the Task Force work with CHA in lobbying members of Congress and CMS in opposition to changes in the Medicare wage index.

Also during the Task Force meeting, Subcommittee chairmen gave brief overviews of their work to date and indicated the direction each may pursue when drafting their proposed strategies for the Governor. Mary Anne O’Neill, Legal Counsel for Governor Rell and...
Chair of the Subcommittee on Workforce Issues, indicated that the Subcommittee may look at recruitment and retention efforts, including those relating to faculty. OHCA Commissioner Cristine Vogel indicated that the Financial Structure Subcommittee may recommend crafting two or three proposals relative to Medicaid and SAGA funding methodologies; and Office of Policy and Management (OPM) Commissioner Genuario suggested that the Department of Public Health and OHCA may need to coordinate their healthcare planning, with OHCA broadening its scope to make Certificate of Need decisions under the lens of statewide utilization and not exclusively on a case-by-case basis.

Before the next Task Force meeting on November 13, Subcommittees must develop and present recommendations for stabilizing and promoting the long-term viability of financially healthier hospitals, and for addressing the related issues of healthcare workforce shortages, hospital-related costs drivers, and emergency room overcrowding, including the availability of community services for children and adults with mental health needs.

At the October 16 meeting of the System Wide Utilization & Planning Subcommittee, CHA’s Stephen Frayne presented information about ED utilization in Connecticut and DMHAS Commissioner Thomas Kirk shared information on behavioral health bed capacity, reasons for “gridlock,” steps taken to reduce gridlock, and additional approaches to consider.

In his presentation, Mr. Frayne pointed out that Connecticut hospitals care for all who present to the ED, whether the visit is urgent or non-urgent, and showed that patients insured through state-funded programs use hospital EDs for non-urgent care at a substantially higher rate than commercially insured or uninsured patients. He emphasized that new measures are required to help Connecticut hospitals treat and properly place all who present to the ED, including providing appropriate treatment alternatives when emergency services are not necessary. Subcommittee members expressed an interest in reducing the number of non-urgent visits to the ED and discussed a system of primary care centers and clinics as options to reduce the large number non-urgent ED visits.

A public hearing, designed to gather comments on the proposed strategies drafted by the three Subcommittees, will be held directly following the November 13 meeting of the Governor’s Hospital System Strategic Task Force.

**SCHIP Veto Override Fails**

The U.S. House of Representatives has failed to override a presidential veto of the State Children's Health Insurance Program (SCHIP) bill by a vote of 273-156. It is anticipated that Congress will temporarily extend the program, which expired on September 30, 2007, and that the debate about SCHIP will continue throughout 2008.

**HealthFirst Connecticut Authority Holds First Meeting**

The HealthFirst Connecticut Authority held its first meeting at the Legislative Office Building in Hartford on Wednesday, October 17, 2007. The Authority was established under PA 07-185—AN ACT CONCERNING THE HEALTHFIRST CONNECTICUT AND HEALTHY KIDS INITIATIVES, with a primary charge to evaluate alternatives for providing quality, affordable, and sustainable healthcare coverage for all state residents, including a single-payor system and employer-sponsored insurance. The Authority must recommend ways to contain healthcare costs and improve quality, including health information technology, disease management and other methods for enhancing care for people with chronic diseases; to monitor and report on cost, quality, and care utilization; and to identify ways to encourage or require providing healthcare coverage to certain groups through participation in an insurance pool. The Authority must also make recommendations for financing insurance for state residents, including ways to maximize federal funding for subsidies, contributions from employers, employees, and individuals, as well as ways to pay the state’s share of costs.

During the first meeting, members discussed their desire to find a way to develop a system of universal healthcare that provides high quality, sustainable coverage for all. The Authority’s co-chairs, Tom Swan, Connecticut Citizens Action Group, and Margaret Flinter, Community Health Center, Inc., noted the daunting task before the group and expressed a desire to use a subcommittee process to accomplish the Authority’s work. The group also discussed their mission, including its stated charge that members
must be familiar with the Institute of Medicine’s healthcare reform principles and be committed to making recommendations consistent with those stated principles. Members shared the desire for an open, transparent, and inclusive process.

David Benfer, President and CEO of the Hospital of Saint Raphael, and Brian Grissler, President and CEO of Stamford Hospital, are appointed members of the HealthFirst Connecticut Authority representing hospitals. Serving as ex officio non-voting members of the Authority are the Commissioners of the Departments of Public Health, Social Services, and Insurance, the State Comptroller, and the Healthcare Advocate. The list of Authority appointees is available here.

Mr. Benfer said: "I am pleased to have been appointed to the HealthFirst Connecticut Authority and look forward to helping develop principles and recommendations that will provide health coverage to Connecticut's uninsured residents. The first meeting on October 17th was an organizational meeting in which members expressed their concerns about Connecticut's healthcare system and the goals they would like to achieve through this process, including the need for a comprehensive state health plan."

The Authority must report its recommendations, including strategies for increasing healthcare access, by December 1, 2008, to the General Assembly's Public Health, Human Services, and Insurance committees.

The next meeting of the Authority will be held on Wednesday, November 14, 2007.

CHA Offers Medicare Severity DRGs (MS-DRGs) Program

This half-day program on October 29 will address the CMS final rule for Medicare’s Inpatient Prospective Payment System (IPPS) effective October 1, 2007, which contains some of the most significant changes to IPPS since 1983. Program speakers include: Ann Boucher, Clinical Research Systems Content Manager, 3M Health Systems; Caroline Piselli, Performance Management Program Manager, 3M Health Information Systems; Robert F. Mahoney, Partner in the Health Industries Advisory Practice, Pricewaterhouse Coopers; Brad Bowman, Director in the Health Care Advisory Practice, Pricewaterhouse Coopers; and Aaron Green, Manager in the Health Care Advisory Practice, Pricewaterhouse Coopers.

Medicare Severity DRGs (MS-DRGs) will be held at CHA offices in Wallingford on Monday, October 29, 2007, 8:30 a.m. – 12:30 p.m. The registration deadline is Monday, October 22, 2007.

To register, or for more information, visit the education section of CHA’s website, or contact Susan Distasio at (203) 294-7257 or distasio@chime.org.

CHA Insurance Services, John Hancock Offer Discounted Group Rates on Long-Term Care Insurance

CHA Insurance Services is pleased to offer long-term care insurance from John Hancock at discounted group rates to members. John Hancock’s long-term care insurance has exceptional features, including:

- Choice of coverage options.
- Innovative riders and built-in features.
- Inflation protection options.
- Access to provider information and discounts.

For more information, contact Mike Lehrhaupt at mlehrhaupt@jhnetwork.com or (866) 661-0253.

Network of Care Website Launched by State

On October 10, 2007 the Connecticut Department of Mental Health & Addiction Services announced the launch of Connecticut’s Network of Care website. The website provides localized online resources for individuals, families, and agencies concerned with mental and emotional wellness. This is the state’s first single Web resource that provides access to mental health and addiction recovery information and resources for children, adolescents, and adults. For more information, visit the website.