Struggling

Connecticut has hospitals that are struggling with ongoing operating losses. These losses directly affect their ability to reinvest in their facilities and expand services. A hospital must earn sufficient income to improve facilities and replace equipment as they become worn out or obsolete, to keep pace with technological changes, and to meet the changing health care needs of the community.


What Opinion Leaders Are Saying About Medicaid Funding for Hospitals

“...state payments to compensate hospitals for the care of the poor fall some $250 million short each year of meeting the hospitals’ costs. Even with some of those costs being shifted to those with private insurance, the shortfall has placed some hospitals in financial jeopardy and has diminished investment in new medical technology and patient care systems. The formula for compensating hospitals needs to be revised.”

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“Connecticut ought to be concerned about health care. Indeed, data has shown more than 400,000 individuals in the state lacking health insurance, a significant number of whom rely on emergency rooms when they cannot put off treatment. But at the same time, state officials need to focus on health of another type—the fiscal well-being of the facilities providing the care...[They need a] strong argument for reforming the reimbursement system, as well as for making other changes to ensure that Connecticut residents have access to the modern medical facilities they need now and in the future.”

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Underfunding Medicaid Threatens Healthcare Access for Everyone

Everyone in a community needs someone to look after them and to get help when they are ill. That's what Medicaid is for. It is a program designed to take care of the most vulnerable members of our society. But the fact is that Connecticut hospitals lose money on every Medicaid patient they treat. The net dollar of healthcare services provided to a Medicaid patient, Connecticut hospitals are reimbursed only about 72 cents. Nationally, the Medicaid reimbursement rate is approximately 70 cents.

The total hospital cost for care provided to Medicaid patients in 2005 was $848 million. The Connecticut Medicaid program pays only $615 million for this care. This means a total of $233 million is paid for Medicaid patients each year. The cost of caring for patients who are not eligible to receive care under the Medicaid program account for 77% of Connecticut's Medicaid expenditures.

The Faces of the Uninsured—Those Not Eligible for Medicaid

Whether you are aware of it or not, you have access to a face of the Connecticut Medicaid system. They are the people you entrust with your health and your recovery. They are your doctors, nurses, and other healthcare professionals. They are the people who help you when you need it most. They are your friends and family. They are the people who care for you.

Sal’s Story

Sal’s Story is about a man who worked hard to support his family. Despite his long hours and hard work, he was unable to pay his bills on time. He was hit with a hospital bill that he couldn’t afford. He was then referred to a太大医院 where he was able to get the care he needed. Sal was able to get the care he needed and the hospital was able to collect the bill. But the fact is that Sal’s situation is not unique. It is a problem that affects millions of people across the country.

Jarius’ Story

Jarius is 18 years old and lives in Manchester. He works 40 hours a week as a fry cook and lives with his parents. They are the only people who can afford to pay for his medical bills. Jarius was diagnosed with asthma at 25, but it is a difficult disease to manage. His doctors discovered that he has a rare form of asthma that is difficult to treat. Jarius has been able to manage his condition and continue to work, but the cost of his treatment is high. He is able to keep his job because he is insured through his employer. But that’s not all. Jarius’s employer provides him with health insurance coverage, which is a critical component of his ability to work and provide for his family.

The Value of Medicaid

Connecticut’s Medicaid program ensures nearly every child has access to quality healthcare services when they need them, when they need them. Helping to keep people healthy and well translates into a more productive workforce for the Nutmeg State.

But that’s not all. Connecticut’s hospitals are major contributors to the state’s economic health—they contribute nearly $11.4 billion annually to the state’s tax base. Of that amount, $2.9 billion is the result of $6.7 billion in state Medicaid dollars. Federal matching of state Medicaid dollars represents new money infused into Connecticut’s economy.

Increasing Medicaid funding—half of which is paid for by the federal government—will help create jobs in Connecticut. Federal matching of state Medicaid dollars represents new money infused into Connecticut’s economy.

Strengthening the Safety Net for All Connecticut Residents

There’s a great deal of discussion today about health reform—how to approach the issue and what the outcomes of any reform plan must be. Connecticut’s hospitals are committed to ensuring that every Connecticut resident has access to quality healthcare services and coverage increases for employers—both in Connecticut and in Washington, D.C. The absolute foundation of any reform plan must be expanding access to affordable healthcare coverage and care and decreasing the growing number of individuals without health insurance.

Equally important to health reform is ensuring that the current system can support all patients, regardless of ability to pay. In addition, a commitment to caring in Connecticut is its non-profit hospital system, which are located in communities across the state. But, these vital community resources are struggling to stay financially healthy. A fast step to strengthening Connecticut’s hospitals—the safety net for all Connecticut residents—is ensuring that hospital revenue provides the full cost for services they provide to Medicaid patients.

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The Faces of Medicaid

More Than Likely, You Know Someone Who Benefits from Connecticut’s Medicaid Program

• In 9 in people in Connecticut are enrolled in Medicaid.
• The faces of Medicaid are the faces of our parents and grandparents. The elderly and disabled account for 77% of Connecticut’s Medicaid expenditures.
• 29% of the people treated and released from emergency departments are Medicaid enrollees.
• In 3 in 11 children in Connecticut are enrolled in Medicaid.
• The faces of Medicaid are the faces of their parents and their children. They make up approximately 76% of Medicaid patients, but account for only 22% of the state’s Medicaid expenditures.
• Medicaid covers 26% of births in Connecticut.

The Costs of Caring for Medicaid Patients

• Connecticut’s Medicaid budget is approximately $4.5 billion. Hospital care accounts for about 14% of the total dollars spent on Medicaid.
• 1 in 9 people in Connecticut are enrolled in Medicaid.
• 1 in 3 children in Connecticut are enrolled in Medicaid.

Underfunding Medicaid Threatens Healthcare Access for Everyone

Every year in a community without health insurance, the cost of caring for uninsured patients is staggering financially—and if a hospital is forced to reduce or eliminate services and lay off workers, it is not just Medicaid patients who are affected.

The fact that Connecticut hospitals lose money on every Medicaid patient they treat is the leading dollar of healthcare services provided to a Medicaid patient, Connecticut hospitals are reimbursed only about 73 cents. Nationally, the Medicaid reimbursement rate is around 86 cents.

The total hospital cost for care provided to Medicaid patients in 2001 was $3,983 million. The reimbursement from the Medicaid program only $2,956 million for that care. This means a total loss to hospitals of $1,027 million.

The costs of underfunding are also borne by businesses throughout Connecticut. When the State doesn’t pay for its share toward caring for Medicaid patients, the care for healthcare services and coverage increases for employers—the same reason of health insurance coverage for people in Connecticut—as well as for their employees.

The Faces of the Uninsured—Those Not Eligible for Medicaid

When you hear the faces of a Connecticut hospital, they receive the highest quality of care, regardless of their ability to pay for these services.

Sal’s Story

Salvatore “Sal” Raiti is a proud man. Despite his ongoing battle with hepatitis C, he’s glad that the hospital is there for him as a safety net. “I receive extremely good care from (Chief of Gastroenterology) Dr. (George) Abdelsayed and the entire staff,” he says.

Sal landed a new job later in the year, but it didn’t come with a health insurance plan. Paying for the high cost of health coverage out of his own pocket would have been impossible given his other living expenses. Sal landed a new job later in the year, but it didn’t come with a health insurance plan. Paying for the high cost of health coverage out of his own pocket would have been impossible given his other living expenses.

Sal’s plight is shared by dozens of other patients at Bridgeport Hospital and some 46 million others without health insurance across the country. He’s glad that the hospital is there for him as a safety net.

Jarius’ Story

Jarius is receiving “Charity Care” from Saint Francis Hospital in Hartford. After a battle of two months and 37 nights, Jarius discovered a tumor in January. A biopsy later confirmed it to be cancer.

Jarius was initially referred to a hospital in New York, but was turned away because of his insurance status. Jarius’ case worker assigned to Jarius was able to secure “Charity Care” status for Jarius because of his income, age, and the hospital’s existing charity care guidelines. The hospital provided the full cost for services it provided to Medicaid patients.

The Value of Medicaid

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The fact is that Connecticut hospitals lose money on every Medicaid patient they treat. Every dollar of healthcare service provided to a Medicaid patient, Connecticut hospitals are reimbursed only about 72 cents. Normally, the reimbursement rate to hospitals is approximately 86 cents. While the total hospital cost for care provided to Medicaid patients in 2005 was $8.8 billion, the Bridgeport Health Care System—Medicaid hospitals only $6.6 billion for that care. This means a total loss to hospitals of $2.2 billion. The costs of underfunding are all too heavy across the state, as well as for these patients.

Underfunding results in reduced hiring, and fewer doctors, nurses, and other medical staff. As a result, Connecticut residents are facing reductions in essential healthcare services that will continue to impact Medicaid patients nationwide. This means that most of the $12,000 a year in healthcare costs for every Medicaid patient that you pay is absorbed by your local hospital. The result of this underfunding is reduced healthcare services and a reduction in the quality of care that patients receive.

The Value of Medicaid

Connecticut’s Medicaid program ensures nearly every 50,000 patients living in Connecticut have health insurance, and most live in low-income families. Medicaid patients claim that the health care that they receive is of high quality and that the prices are reasonable. Medicaid pays 71% of the cost of care in Connecticut hospitals. The federal government pays 55% of the cost of care in Connecticut hospitals for those who live in poverty and pay only 15% of the cost of care for those who live above poverty level. Medicaid is the largest source of payment for most of the care given in Connecticut hospitals. When the State doesn’t pay its fair share toward caring for Medicaid patients, the cost for Connecticut residents is its not-for-profit hospitals, which are located in communities throughout Connecticut. But, these vital community resources are struggling to stay financially healthy. A first step to strengthening the Connecticut’s hospitals—the safety net for all of Connecticut residents—is ensuring that hospitals receive the full cost for services they provide to Medicaid patients.

The Faces of Medicaid

More Than Likely, You Know Someone Who Benefits from Connecticut’s Medicaid Program

• In 15 years in Connecticut do not have health insurance.
• 65% of the uninsured are working but cannot afford health insurance.
• 25% of births in Connecticut.
• 1 in 3 children in Connecticut are enrolled in Medicaid.
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—Hartford Courant, April 15, 2007

Connecticut Hospital Association

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The Faces of Medicaid in Connecticut

Struggling