



**TESTIMONY OF
ST. VINCENT'S MEDICAL CENTER
SUBMITTED TO
THE GOVERNOR'S HEALTHCARE CABINET
TUESDAY, NOVEMBER 15, 2016**

On behalf of our patients, our associates, medical staff and the patients and families we serve, St. Vincent's Medical Center appreciates this opportunity to present comments on the Healthcare Cabinet Cost Containment Study.

For more than 113 years, St. Vincent's has served the Greater Bridgeport community. We are the largest employer in the City of Bridgeport with more than 3,000 associates, including our medical staff. In 2015, St. Vincent's total direct economic impact on our community was greater than \$900 million.

As the healthcare system undergoes significant transformation, hospitals continue to be focused on the health and well-being of every Connecticut citizen. The goals of this transformation are improved access to care, improved quality and safety, and reduced cost.

St. Vincent's Medical Center supports the efforts of the Governor's Healthcare Cabinet to achieve these goals. We are also driving toward the healthcare reform objective of improving care quality and accountability, and the shift from payment for the volume of services provided to payment for value – focusing on the outcomes and quality of care people receive. Like all hospitals in Connecticut, we are also diligently exploring cost saving opportunities, including outsourcing of services, shared service centers, consolidation of services and possible changes in scope of services.

Bailit Health has developed a straw model containing several recommendations for the Healthcare Cabinet to consider as it aims to reduce the cost of healthcare.

We encourage the Cabinet to keep in the forefront of its deliberations that many of the Bailit recommendations are based on structures and models being implemented in other states. We note that these models are not easily transferred to Connecticut because they do not take into account that Connecticut's Medicaid reimbursement rate, combined with its provider tax, makes Connecticut one of the most poorly funded states in the nation, with the overall reimbursement to hospitals and physicians far lower than in other northeastern states. In fact, reimbursements overall have been cut so deeply and hospitals taxed so significantly that it is hurting patient care, access, jobs, and our economy.

The first category of recommendations from Bailit focuses on delivery system and payment reform, with a recommendation to provide more coordinated, effective, and efficient care by engaging providers through the creation of Consumer Care Organizations (CCOs). The success of CCOs will depend on the implementation details, including the attribution model. There is a concern that the attribution model is unclear, which makes it difficult to manage cost.

We agree with the recommendations of the Connecticut Hospital Association that the Cabinet must clarify the attribution model or that the Cabinet add to the recommendation the creation of a multi-stakeholder work group that would include hospitals and providers to work with the Department of Social Services and the Comptroller's Office to assist in the development of implementation details.

The second category of recommendations focuses on strategies to reduce healthcare cost growth. The Cabinet has refined its original recommendation to now require that it undertake an in-depth study of how to create a healthcare target. This recommendation would result in the creation of a multi-stakeholder work group that includes hospitals, and would require studying the methodology used by other states that have adopted or implemented a state-level cost growth target, including their relative public and private reimbursement environments.

Over the last two fiscal years, Connecticut hospitals, including St. Vincent's, have eliminated more than 1,400 jobs, reduced staff salaries and benefits, reduced services, and postponed investments in technology and infrastructure. We must first fix the deficient reimbursement environment in Connecticut before we can implement a healthcare target.

The third category of recommendations focuses on coordinating and aligning state strategies. An essential component of any cost containment initiative is the coordination and alignment of existing state agencies and initiatives. There are several ways to achieve that goal. One way is through using the existing Healthcare Cabinet as the entity to ensure coordination of state strategies. We believe that the membership must be expanded in order for it to represent all stakeholders, including additional providers and hospital representatives from various disciplines, including finance, clinical support and strategic planning.

St. Vincent's Medical Center appreciates the work of the Healthcare Cabinet and looks forward to working with the members of the Cabinet by sharing best practices and additional information about our own efforts to transform our healthcare system and work with them to do so within the State of Connecticut.

Thank you for this opportunity to share our thoughts on this important work.