



**TESTIMONY OF
THE CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO
THE GOVERNOR'S HEALTHCARE CABINET
TUESDAY, NOVEMBER 15, 2016**

The Connecticut Hospital Association (CHA) appreciates this opportunity to present comments on the Healthcare Cabinet Cost Containment Study.

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. CHA supports the efforts of the Healthcare Cabinet to achieve these goals.

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 are providing testimony on three specific recommendations.

Prior to commenting on those three recommendations, we would 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. In our view, 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, make 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.

The first category of recommendations 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. To address this concern, we request that the Cabinet clarify the attribution model. Alternately, we suggest that the Cabinet add to the recommendation the creation of a multi-stakeholder work group to work with the Department of Social Services and the Comptroller's Office to assist in the development of implementation details.

We encourage the Cabinet to consider supporting a different type of a CCO – an All Payer Community Health Team – as another innovative solution that is proven to achieve improved health outcomes for high-volume visitors to EDs, offer relief to behavioral healthcare providers, and provide potentially substantial and sustainable Medicaid savings to the state. We are suggesting the Community Care Team (CCT) model be considered for high-volume ED patients. Across Connecticut, hospitals are teaming-up with other community-based healthcare providers and providers of wraparound social services to establish CCTs or to engage in other related community care coordination initiatives. These teams, which meet regularly, work collaboratively to enhance patient screening, ensure timely release of information, establish patient-centered intensive case management (ICM) plans, and engage patients in housing and social wraparound support services.

In places such as Middlesex County and Greater Norwalk, where CCTs have been established, the patients enrolled in these programs have experienced improved health outcomes including sobriety, mental health stabilization, reduced homelessness, and re-entry to the workforce, highlighted by fewer ED visits. Hospitals have experienced a reduction in ED overcrowding, decreases in costs of care, and reduced losses for undercompensated and uncompensated care. Most notably, there is a positive impact on the state's bottom line, since typically more than half of these patients are Medicaid beneficiaries.

Across Connecticut, hospitals and other community healthcare and social service providers are demonstrating an unprecedented degree of dedication, cooperation, and commitment of time and resources to community care coordination. These initiatives have worked well to demonstrate the potential value of CCTs, but we need your help to ensure statewide implementation of community care coordination.

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. We believe that we should first fix the deficient reimbursement environment in Connecticut before we can implement a healthcare target. CHA appreciates the modifications made to this recommendation.

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. During the Cabinet's deliberations on this recommendation, Cabinet members discussed expanding its membership to include other stakeholders, including additional providers. The recommendations also call for the creation of an Office of Health Strategy with an accompanying stakeholder Advisory Board to align state strategies. We believe expanding the membership of the Healthcare Cabinet, and creating an Office of Health Strategy along with a stakeholder Advisory Board, will further the goal of coordinating state healthcare strategies.

CHA appreciates the work of the Healthcare Cabinet and looks forward to working with the members of the Cabinet to transform our healthcare system.

Thank you for consideration of our position.