

TESTIMONY OF TRINITY HEALTH-NEW ENGLAND
CONCERNING THE COST CONTAINMENT STUDY

November 15, 2016

Trinity Health – New England respectfully offers this testimony concerning the Healthcare Cabinet’s Cost Containment Study. I am Joseph T. Connolly, Regional Vice President of Marketing/Communications and Connecticut Government Relations, and I am pleased to note that this testimony is the first to be submitted on behalf of Trinity Health – New England in Connecticut.

Trinity Health – New England, a regional health ministry, includes Saint Francis Hospital and Medical Center, Saint Mary’s Hospital, Mount Sinai Rehabilitation Hospital, Johnson Memorial Hospital, and the Sisters of Providence Health System, with its affiliate Mercy Medical Center, in Springfield, Mass.

It is necessary to emphasize at the start 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. This extraordinary condition makes it very difficult to look to other states and then adopt models from those states. Many of the Cabinet’s consultant recommendations are drawn from other states which would not be easily transferrable to Connecticut.

Having made that point, Trinity Health New England commends and supports the Healthcare Cabinet’s objectives: improving access to care, improving quality and safety, and reducing costs. This testimony will focus on three specific categories of recommendations put forth by the consultant.

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. Saint Francis Hospital already has implemented this approach to great benefit, both for the patient and for the goal of managing costs. 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.

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. Trinity Health New England firmly suggests that we should first fix the deficient reimbursement environment in Connecticut before trying to implement a healthcare target.

The final category of recommendations focuses on coordinating and aligning state strategies. An essential component of any cost containment initiative is the coordination of state strategies. That requires the alignment of existing state agencies and initiatives. We believe expanding the membership of the Healthcare Cabinet, and could agree with creating an Office of Health Strategy along with a stakeholder Advisory Board, if it closely integrates with the existing agencies and furthers the goal of coordinating state healthcare strategies.

Trinity Health New England looks forward to working with the members of the Healthcare Cabinet and providers to transform our healthcare system.

Thank you for your consideration.