



**Testimony of Connecticut Children's Medical Center
to the Insurance and Real Estate Committee
Regarding House Bill 5018, An Act Concerning Health Care Cost Growth in Connecticut
March 5, 2020**

Senator Lesser, Representative Scanlon, members of the Insurance and Real Estate Committee, thank you for the opportunity to share our thoughts about House Bill 5018, An Act Concerning Health Care Cost Growth in Connecticut.

Before commenting on the bill, here is some background about Connecticut Children's, a nationally recognized, 187-bed not-for-profit children's hospital driving innovation in pediatrics. With over 2,900 employees and 1,190 on our medical staff, we are the only hospital in the State dedicated exclusively to the care of children. Our focus on children differentiates us from all other hospitals in several key ways including: 1) our payer mix—more than half of our care is for patients who rely on Medicaid and we receive almost no Medicare payments; 2) our exclusion from the provider tax—we were not part of the hospital settlement agreement; 3) and our costs, which are predictably higher because children need more hands-on care, and show that we are one of the least expensive independent children's hospitals in the country. It is worth noting that more than half of our inpatient care is for infants and 70% is for children under age 6.

Last year alone, Connecticut Children's cared for more than 55,000 children who rely on HUSKY and spent over \$92 million in free and uncompensated care. The connection between Medicaid, vulnerable families and Connecticut Children's appears to be growing. In the past two years, we have provided 20% more care to children who rely on Medicaid while our payments per unit of care have decreased. We need a strong partnership with the State to reverse this unsustainable trend.

The goal of House Bill 5018, and the underlying Executive Order #5, is to improve the efficiency of health care spending and improve outcomes. Connecticut Children's supports these goals and we demonstrate that support through our strategic partnership with local primary care pediatricians. By sharing best practices, care protocols and guidance to primary care physicians throughout the State, Connecticut Children's is helping pediatricians to manage the care they provide to children and adolescents more effectively across the care continuum. Not only does this help reduce costly hospital visits, it allows children to receive care in a more familiar location and improves access to Connecticut Children's specialists.

The Connecticut Children's Care Network currently includes more than 150 primary care pediatricians and 250 pediatric specialists across the State. By leveraging the combined scope and knowledge of the hospital, our specialists and primary care pediatricians, we are building a stronger pediatric community that will improve care and reduce costs. On January 1, 2020, our Care Network became the first pediatric-focused Advanced Network in the Department of Social Services' PCMH+ initiative.

At Connecticut Children's we know the future of health care means more innovative payment models based on outcomes, as opposed to patient volumes. Programs and services that address families' social determinants of health are necessary to ensure the future wellbeing of

the State's children but there are challenges to bring them to scale without appropriately structured reimbursement mechanisms from our payers. This is why we are actively pursuing value-based reimbursement arrangements with our private payers and we are eager to partner with the Department of Social Services to consider innovative payment models that can address some of the most critical issues facing the HUSKY program including newborn care and behavioral health services. With the support of our payers, we can build pediatric systems of care that address population health and improve each child's ability to grow, learn and succeed. In many ways, Connecticut Children's is already doing this work through a range of programs tackling issues like asthma, opioid dependence, home hazards, domestic violence, teen driving safety, sexually transmitted diseases, and suicide.

Connecticut Children's stands ready to be a resource to the Office of Health Strategy as they implement the components of Executive Order #5 because it will be important to consider how these efforts may differentially impact health care systems that support children. As stated above, costs in children's hospitals are predictably higher in pediatrics because our young patients need more hands-on care. In addition, the development of health care quality metrics in pediatrics has lagged behind that process in adult medicine and often the metrics that are most central in children's health care are different than the priority issues for adult patients. We look forward to the opportunity to partner with the State on this issue so that we can improve health care quality, access and cost efficiency for children, adolescents and their families.

Thank you for your consideration of our position. If you have any questions about this testimony, please contact Jane Baird, Connecticut Children's Senior Director of External Relations, at 860-837-5557.