



# Hospital for Special Care

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March 1, 2021

To: Appropriations Committee

From: Lynn Ricci, FACHE  
President and Chief Executive Officer

Re: HB-6439 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2023 AND MAKING APPROPRIATIONS THEREFOR

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Honorable Senator Osten, Representative Walker, Senator Miner, Representative France and esteemed members of the Appropriations Committee, thank you for providing this opportunity to address concerns critical to Hospital for Special Care's patients and health care workforce through this testimony on HB-6439 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30, 2023 AND MAKING APPROPRIATIONS THEREFOR specifically addressing the Department of Social Services budget and the Medicaid rate for chronic disease hospitals.

Hospital for Special Care (HFSC) is the fourth largest, free-standing long-term acute care hospital in the U.S. and one of only two in the nation serving adults and children. HFSC is recognized for advanced care and rehabilitation in pulmonary care, acquired brain injury, medically-complex pediatrics, neuromuscular disorders including ALS research, spinal cord injury, comprehensive heart failure and comprehensive inpatient, partial hospital and outpatient treatment for children and adolescents with autism spectrum disorder (ASD).

Hospital for Special Care provides highly specialized care for patients living with complex and often catastrophic medical conditions. We are the primary provider of care for patients who qualify for Medicaid and require a long-term acute care hospital level of care. We have operated at surge capacity throughout most of this year, including providing intensive rehabilitation for the patients most severely impacted by COVID-19. We have maximized every possible bed – operating above our licensed 228 licensed bed capacity throughout the year -maintaining outstanding patient safety and functional outcomes. Our patients are directly admitted from acute care hospitals across Connecticut – in many cases we are the only qualified resource.

Many of the patients we serve require unique and costly care resources, including wound vacuums, specialized beds, close observation (1:1 monitoring), high cost medications, total parenteral nutrition (TPN) and other interventions. On any given day we have 80 patients on ventilators, including infants and toddlers.

**No other hospital in Connecticut serves a comparable proportion of Medicaid patients. Approximately 80% of our patients qualify for Medicaid. Nearly 100% of our 30 bed pediatric unit – the only one of its kind in the country at our level of care- qualifies for Medicaid.**

Without immediate Medicaid rate relief, Hospital for Special Care will be in a precarious situation requiring difficult decisions that will impact access to care. Chronic disease hospitals (there are only three providers at this level in Connecticut) have a specific rate classification under DSS that is separate and aside from that of acute care hospitals. The last time chronic disease hospitals received a permanent rate increase was in 2007.

Our longstanding reimbursement rate challenges have been exacerbated by the pandemic which has taken a devastating toll on our financial health. Clinical wages have increased nearly seven percent since fiscal year 2020 (pre-pandemic) as more staff are required to deliver the complex care patients with high acuity require. Direct

patient care and supply costs have risen 11 percent over the last five years. This represents more than \$3 million *per year* in additional patient care costs we are unable to sustain. Our projected operating deficit will grow by 75 percent between FY21 and FY22.

Unfortunately, temporary state or federal support linked to COVID-19 will not correct the challenges we face. Nor do we benefit from rate increases granted to our acute care partners or the hospital settlement.

The financial challenges we're facing impact our ability to provide a competitive wage for our highly specialized health care workforce. Our projected operating deficit grows by nearly 30% with only a marginal increase for employees in a highly competitive market.

Our Employee Financial Assistance Fund, established in June, has already provided more than \$90,000 in financial relief to health care workers in crisis. Our employees themselves are now raising funds to replenish this resource and support one another.

Our patients are among the most medically compromised individuals in the State of Connecticut. Their safety, their stability and their quality of life – and the safety, stability and quality of life of the people who provide care at the bedside cannot wait another year. Respectfully, I request your assistance in ensuring a Medicaid rate increase of 4% for chronic disease hospitals is included in this budget.

Thank you for your consideration and support of our patients and our health care workforce.