

## CHA STATEMENT ON OHS REPORT ON HOSPITALS' COMMUNITY BENEFIT PROGRAM IMPACT

WALLINGFORD – The Connecticut Hospital Association (CHA) released the following statement regarding the Office of Health Strategy's (OHS) <u>Draft Hospitals' Community Benefit Report</u> issued on April 1, 2024 and currently in a public comment period:

"Connecticut hospitals are national leaders in investing in their communities, spending approximately 24% more on community benefits than their national peers, according to OHS. This report confirms much of what we know about the significant impact of hospital contributions to their communities, which extend far beyond great care, critical health services, and financial assistance to remove barriers to care. Their work takes them outside of hospital walls, providing a wide range of services that respond to critical health needs and that affect the community's wellbeing and address social influencers of health, such as housing needs, food insecurity, transportation, and employment. Even as hospitals and health systems face enormous financial pressures driven by historic inflation, an increase in critical care needs since the pandemic, and workforce shortages, hospitals continue to provide significant community benefits – increasing their investments by 20% or \$300 million since 2018 – to meet growing needs, support Connecticut residents, and build healthier communities.

"Connecticut hospitals provide high-quality care for everyone who walks through their doors, regardless of their ability to pay. As the report highlights, community health investments, subsidized health services, and charity care are only a part of a hospital's total community benefit, and hospitals bear many uncompensated and unreimbursed costs, including more than \$2.7 billion in Medicare and Medicaid underpayment, less than half of which is included in the state's reported figures. The state's chronic underfunding of Medicaid deprives people who are medically underserved of access to needed care and social supports. Hospitals step in every day to fill this gap. Beyond that, Connecticut has very generous Medicaid eligibility requirements, but does not support that system with sufficient payment to fund care delivery. The result is that hospitals receive reimbursement from Medicaid for only about 62% of what it costs to provide the care to those patients. As demonstrated in the OHS report, Connecticut's Medicaid program pays less for care than peer states, with unreimbursed Medicaid costs in Connecticut 79% worse than the rest of the nation in 2019. To best position Connecticut to enable communities to prosper and support better health outcomes, we need to reimagine how the Medicaid system can invest in this work, rather than hinder it."

CHA plans to submit comments on areas of the report that can be refined to better track and document the impact of hospital community benefit investments. The public comment period is open until April 30, 2024.

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