CONNECTICUT HOSPITAL ASSOCIATION

TESTIMONY OF
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SENIOR VICE PRESIDENT, HEALTH POLICY
CONNECTICUT HOSPITAL ASSOCIATION
BEFORE THE
HUMAN SERVICES COMMITTEE
Tuesday, March 11, 2014
In Support of

SB 407, An Act Concerning A Hospital Quality Of Care Initiative

My name is Stephen Frayne. I am the Senior Vice President of Health Policy at the Connecticut Hospital Association (CHA). I am testifying today in support of **SB 407, *An Act Concerning A Hospital Quality Of Care Initiative.*** Since the passage of the biennium budget this past May, CHA and its members have been working with the Office of Policy and Management (OPM) and the Department of Social Services (DSS) to develop a new payment framework for acute care hospitals that provides stable and predictable resources to hospitals while improving care and controlling costs. Our mutual goal has been to develop and implement that framework by July 1, 2014.

Before outlining our concerns, it's important to detail the critical role hospitals play in the health and quality of life of our communities. All of our lives have, in some way, been touched by a hospital: through the birth of a child, a life saved by prompt action in an emergency room, or the compassionate end-of-life care for someone we love. Or perhaps our son, daughter, husband, wife, or friend works for, or is a volunteer at, a Connecticut hospital.

Hospitals treat everyone who comes through their doors 24 hours a day, regardless of ability to pay. In 2012, Connecticut hospitals provided nearly $225 million in free services for those who could not afford to pay.

Connecticut hospitals are committed to initiatives that improve access to safe, equitable, high-quality care. They are ensuring that safety is reinforced as the most important focus—the foundation on which all hospital work is done. Connecticut hospitals launched the first statewide initiative in the country to become high reliability organizations, creating cultures with a relentless focus on safety and a goal to eliminate all preventable harm. This program is saving lives.

Providing culturally competent care, eliminating disparities, and achieving health equity are also priorities of Connecticut hospitals. The CHA Diversity Collaborative, a first-in-the-nation program to achieve these goals, has been recognized as a national model.

The benefits of hospitals extend well beyond their walls, as they strive to improve the health of our communities and play a vital role in our economy. Connecticut hospitals provide great jobs to more than 55,000 people who make sure we have access to the very best care whenever we need it. Every hospital job creates another job in our community. In total, Connecticut hospitals generate more than 110,000 jobs in our communities and contribute more than $20 billion to the state and local economies.

We are working to improve the quality of care by redesigning the Medicaid program, with a keen focus on patients and improving the care they count on.

SB 407 is modeled on the Medicare Value-Based Purchasing program and incorporates those concepts into the Medicaid hospital payment system. The proposal aligns with the state's health reform agenda; builds upon the existing Medicaid FFS payment system; focuses on programs to improve access to appropriate care, thereby reducing disparities and improving population health; uses quality metrics to track and reward change; and invests in hospitals that achieve the shared vision.

The program has two key elements.

The first is the Member Priority Program (MPP). In the MPP, hospitals will need to develop the systems to provide real-time notification to the Community Health Network (CHN) of Medicaid individuals in the emergency department as well as those who have been admitted to the hospital. These notifications have already been identified by CHN and DSS as major priorities for this current year. The value of these real-time notifications is enormous; there is no better time to connect people to programs and resources that can improve their health – such as making sure they have access to primary care and support managing chronic conditions – than when they are already seeking care. These notifications will progress in sophistication over a two-year period. Hospitals would commit to starting with an Automated Data Transfer (ADT) and then eventually migrate to full Continuity of Care Documents (CCD) generated from their electronic health records. The ADT information would provide notification that an individual is being seen, while the CCD would provide more robust clinical information that can assist in connecting the member to the right programs offered by CHN.

The second is the Hospital Community Connections Program (HCCP). In the HCCP, hospitals would integrate and embed CHN staff into the hospital discharge planning process. In so doing, hospitals would streamline uptake into the CHN Inpatient Discharge Care Management (ICDM) and the Intensive Care Management Programs (ICM). In addition, hospitals would also agree to add resources to help achieve a stabilization/reduction in All-Cause Readmission Rates as well as reductions in Chronic Obstructive Pulmonary Disease (COPD), Congestive Heart Failure (CHF), and Adult Asthma admissions – all these areas have been identified by CHN and DSS as priorities for improved care.

While new for Medicaid, the proposals outlined here are not pie in the sky, "maybe someday" ideas. These proposals are well-established processes and priorities for hospitals in the Medicare program. We believe now is the time to take the experience and success hospitals have had in improving care and outcomes for Medicare patients and extend them to the Medicaid program. Unfortunately, the systems, clinical staffing, and patient navigators needed to make these things happen are not possible within the current Medicaid resources available to hospitals. Making this change happen will require additional and ongoing investments by hospitals. We are proposing, as a way to fund those investments, a series of incentives that are tied to producing results – exactly as is expected in the State Innovation Model (SIM). The incentives would be sourced by a $30 million appropriation of state funds, which would be matched by $70 million in federal funds. Payout from the incentive pool would be conditioned on achieving the desired results.

Connecticut's acute care hospitals are willing to be leaders in driving the change that OPM and DSS are seeking in the Medicaid program. Hopefully you will agree from the information shared today that much has been done to develop a consensus around the approach and design of these initiatives. These ideas are actionable, and we are ready to put them in place effective July 1, 2014. Please vote in favor of SB 407.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.