



**TESTIMONY
OF THE
CONNECTICUT HOSPITAL ASSOCIATION
HUMAN SERVICES COMMITTEE**

Tuesday, March 5, 2002

SB 433, An Act Concerning Health Care Institutions

The Connecticut Hospital Association (CHA) appreciates the opportunity to testify on **SB 433, An Act Concerning Health Care Institutions**, a bill that, in part, increases Medicaid reimbursements to nursing homes for the costs of implementing the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and for increases in the cost of liability insurance.

The federal HIPAA regulations imposes a substantial burden on Connecticut's 31 acute care hospitals as well as on the state's nursing homes, as they prepare to meet the HIPAA requirements by the effective dates. The implementation of these federal regulations will require significant and costly information technology infrastructure and systems changes.

In addition, over the past year Connecticut hospitals have been confronted with significant increases in the cost of obtaining liability insurance. These cost increases have added to the financial stress of the already fragile hospital infrastructure.

If the Human Services Committee intends to act favorably on the bill, CHA respectfully requests that you amend SB 433 to include similar Medicaid increases for hospitals.

Thank you for your consideration.