Each day, Connecticut hospitals treat children and adults in crisis. A chronic and persistent lack of resources in the mental health system means patients do not always get the care they need in the proper setting; often their only recourse is to go to the hospital emergency department. The problem has gotten worse, with reductions in state funding for mental health services and substance use prevention and treatment programs, the loss of state-funded health insurance under the HUSKY program, persistent budget deficits, and possible federal cutbacks. This adds pressure to hospitals as demand increases for emergency medical and hospital-based behavioral health services.

Connecticut hospitals and health systems generate more than 200,000 Connecticut jobs. Overall, Connecticut hospitals and their related entities contribute $27.7 billion to the state and local economies each year, and serve as a magnet for other business and commerce.

Connecticut hospitals are continually working to find innovative ways to better serve patients and communities. They are building integrated delivery networks with physicians, services, and technology to make sure patients receive high quality, coordinated, cost-effective, patient focused care. They are addressing social determinants of health to improve health equity for all Connecticut residents.

**KEY ISSUES**

**HOSPITAL TAX**

In 2017, with bipartisan support in the legislature, hospitals and the state came to a 3-year agreement to maximize federal reimbursement while reducing hospitals’ losses under the tax and providing a benefit to the state. In 2020, hospitals will pay $384 million in taxes, and will receive $341 million from the state in the form of Medicaid payments. This will bring hospitals’ losses under the tax to $42 million.

- Protect the agreement regarding taxes paid by hospitals and Medicaid payments to hospitals, and settle past disputes.
- Partner with hospitals to develop new opportunities that benefit patients, communities, hospitals, and the state.
- Invest in the hospitals and healthcare to grow Connecticut’s economy.

**MEDICAID REIMBURSEMENT**

Connecticut’s Medicaid reimbursement rates are among the lowest in the nation, with hospitals paid less than 60 percent what it costs to provide care. One in five people are on Medicaid. Low Medicaid reimbursement leaves them, and everyone else, with less access to care. Medicare and Medicaid underpayments total nearly $1.5 billion each year. In 2016, Connecticut hospitals incurred nearly $800 million in Medicare losses and $700 million in Medicaid losses, and contributed nearly $200 million in charity care.

- Bring Medicaid rates in line with the national average.
- Protect access to patient care in light of potential changes to healthcare on the national level.

**REGULATORY ENVIRONMENT**

The system by which hospitals and certain other healthcare providers seek state approval to change aspects of their operations, control, or ownership — including integrations, mergers, and affiliations with other providers — known as the Certificate of Need (CON) process — has not kept pace with the transformation of healthcare since the passage of the Affordable Care Act. The state’s interpretation and use of CON has become more inflexible, prescriptive, and onerous toward hospitals, often favoring the status quo over innovation and change. Hospitals need a CON process that treats Connecticut hospitals fairly and on an equal basis with other providers, entities, and out-of-state specialty hospitals, and reduces the existing regulatory burden on hospitals.

- Support a Certificate of Need (CON) process that treats hospitals fairly and on an equal basis with other providers, entities, and out-of-state specialty hospitals.
- Do not impose additional regulatory burdens on hospitals.

**MENTAL HEALTH AND SUBSTANCE ABUSE**

Each day, Connecticut hospitals treat children and adults in crisis. A chronic and persistent lack of resources in the mental health system means patients do not always get the care they need in the proper setting; often their only recourse is to go to the hospital emergency department. The problem has gotten worse, with reductions in state funding for mental health services and substance use prevention and treatment programs, the loss of state-funded health insurance under the HUSKY program, persistent budget deficits, and possible federal cutbacks. This adds pressure to hospitals as demand increases for emergency medical and hospital-based behavioral health services.

- Improve mental health and substance use services in Connecticut by:
  - Supporting programs that emphasize an integrated approach to patient care.
  - Funding drug and alcohol abuse treatment and prevention programs.
  - Matching bed availability with patient need.