



**TESTIMONY OF
PATRICK CHARMEL
PRESIDENT AND CHIEF EXECUTIVE OFFICER, GRIFFIN HOSPITAL
EXECUTIVE COMMITTEE MEMBER, CONNECTICUT HOSPITAL ASSOCIATION
BOARD OF TRUSTEES
BEFORE THE
APPROPRIATIONS, FINANCE, HUMAN SERVICES,
AND PUBLIC HEALTH COMMITTEES
December 13, 2019**

The Connecticut Hospital Association, et al. v. Connecticut Department of Social Services, et al. Settlement Agreement

An Act Concerning Implementation Of The Approved Settlement Agreement In The Connecticut Hospital Association Et Al. V. Connecticut Department Of Social Services Et Al. And Making Appropriations Therefor

Good afternoon. My name is Patrick Charmel. I am President and Chief Executive Officer of Griffin Hospital and its parent organization Griffin Health Services, and I am a member of the Executive Committee of the Connecticut Hospital Association Board of Trustees. I am here to ask for your support for the hospital settlement agreement and its implementation language in **An Act Concerning Implementation of the Approved Settlement Agreement in the Connecticut Hospital Association et al. V. Connecticut Department of Social Services et al.**

The settlement agreement represents a return of the hospital tax to its original purpose – a means to attract federal dollars to Connecticut without being a real net tax burden to hospitals. The settlement agreement also includes mechanisms to recognize the needs and capabilities different sized hospitals and systems, and preserves the small hospital pool, which is critical to ensuring the vitality of organizations like Griffin Hospital.

At Griffin, we care for nearly 7,500 inpatients and 190,000 outpatients each year. The hospital and the other organizations in the Griffin Health Services family employ more than 1,600 people. Griffin, like so many of our state's hospitals, is the cornerstone of its community and a substantial driver of local economic activity. In addition to being a major employer, Griffin Heath Services has a tremendous financial impact on its local economy.



When goods and services purchases are added to facilities improvement investments and the salaries and benefits Griffin Health Services provides to its large work force, its total direct economic impact is estimated to be greater than \$400,000,000 per year. In addition Griffin Hospital's community benefit activities include investments of more than \$13 million to improve the health of our community.

An important benefit of this settlement is enabling a new path for the state and hospitals to partner on the development of innovative health care payment and delivery models that incentivize and reward lower total cost of care and increased care quality and effectiveness. Griffin and the other Connecticut hospitals have embraced accountable care and have actively participated in efforts to promote value based insurance design to incentivize improved preventive and primary care and the utilization of high value services and decrease or eliminate the use low value services of questionable efficacy and necessity. Accountable care success is dependent on the ability of providers to improve the overall health and wellbeing of populations, reduce the incidence of acute illness, prevent chronic disease and manage chronic illness more effectively when it occurs. To become effective population health managers and deliver on the promise of value based care, Connecticut's hospitals and health systems need to invest in new capabilities including data aggregation and analysis, risk identification, care coordination, chronic disease management, and care standardization as well as consumer outreach and engagement. In addition hospitals must develop collaborative and supportive relationships with community based organizations to address the underlying social determinants of health that include safe and secure housing, employment, transportation and food security which are known to have a greater impact of overall health than the medical care that has been the primary focus of hospitals and health systems. The required initial and ongoing investment in these new era capabilities and associated infrastructure will take considerable resources.

The agreed settlement will provide Connecticut hospitals and health systems with the sustained and predictable support they need, and the resulting investments they are committed to make will provide a substantial and beneficial return in the form a Connecticut health care delivery system with greater affordability and improved effectiveness leading to greater health and wellbeing in the communities we serve and for all Connecticut citizens.

Thank you for your consideration.