



STATE OF CONNECTICUT
DEPARTMENT OF SOCIAL SERVICES

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CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

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State Awards \$20.3 Million to Eight Hospitals Facing Financial Hardship

Social Services Commissioner Michael P. Starkowski today announced the awarding of over \$20.3 million from the state's Hospital Hardship Fund to help eight hospitals meet critical operating expenses, expand facilities and strengthen their long-term financial health.

Ranging from \$450,000 for Rockville General Hospital to \$10 million for the Connecticut Children's Medical Center, the hardship grants are designed to help the state's non-profit hospitals meet extraordinary expenses and prevent shortfalls that could threaten patient care.

The following hospitals were notified of awards today totaling \$20,350,000:

- **Connecticut Children's Medical Center**, Hartford, \$10 million to assist in meeting current operating needs and to comply with Connecticut Health and Educational Facilities Authority debt covenants.
- **The Hospital of Saint Raphael**, New Haven, \$3.4 million to aid in purchase of a 64-slice CT scanner and laboratory information system;
- **Charlotte Hungerford Hospital**, Torrington, \$1.5 million to aid in roof and parapet replacements;
- **Windham Hospital**, \$1.5 million (in addition to \$3.2 million awarded in September 2007), to assist with operating cost obligations;
- **University of Connecticut Health Center-John Dempsey Hospital**, Farmington, \$1.5 million for neonatal intensive care unit equipment and ambulances;
- **Johnson Memorial Hospital**, Stafford Springs, \$1.5 million to assist with operating cost obligations;

- **Bristol Hospital**, \$500,000 for a quality improvement program and strategic planning review;
- **Rockville General Hospital (Eastern Connecticut Health Network)**, \$450,000 for boiler replacement and infrastructure repairs.

“These awards are further indication of how important our network of non-profit hospitals is in caring for the residents of Connecticut,” Commissioner Starkowski said. “Governor Rell and the legislature are making sure our hospitals remain financially healthy and resilient through a number of support mechanisms. The hardship grants announced today will go a long way toward upgrading and modernizing services and facilities, or meeting extraordinary operating expenses at eight of our hospitals.”

Under the enabling legislation, Department of Social Services may provide grants in consultation with the Department of Public Health (DPH), Office of Health Care Access (OHCA) and the Connecticut Health and Educational Facilities Authority (CHEFA). Commissioner Starkowski made the grant determinations after discussions with DPH Commissioner Dr. J. Robert Galvin, MD, MPH, MBA; Commissioner Cristine A. Vogel of OCHA; and executive director Richard D. Gray of CHEFA.

“These awards are the result of a series of conversations with the administration and health care-concerned departments directed toward providing a coherent comprehensive system of hospital care,” stated Commissioner Galvin.

The funding results from 2007 legislation that established a \$30 million Hospital Hardship Fund to be administered by the Department of Social Services. After today’s grant announcement, \$6.5 million remains to be disbursed before June 30. Commissioner Starkowski said that \$5.5 million of the \$6.5 million balance is reserved for Waterbury Hospital and Saint Mary's Hospital (also in Waterbury). These funds will be released if the hospitals agree to submit plans for administrative cost reductions and plans for addressing the excess bed capacity in the area.

Selection factors include hospital utilization by patients eligible for state assistance programs, licensure and certification compliance history; and reasonableness of actual and projected revenues and expenditures.

In addition to the Hospital Hardship Fund, the state supports Connecticut's 31 acute-care hospitals in meeting special costs through the Hospital Disproportionate Share Programs. Through these initiatives, funded at over \$99 million, the Office of Healthcare Access calculates percentage shares of uncompensated care (care provided to uninsured individuals), and provides the information to DSS for payments to hospitals. During the 2007 legislative session, Medicaid rate increases for inpatient services totaling \$72 million annually were approved for Connecticut hospitals.