



# State of Connecticut

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October 15, 2015

Secretary Benjamin Barnes  
Office of Policy and Management  
450 Capitol Avenue  
Hartford, Connecticut 06106

Dear Secretary Barnes:

I am writing to seek clarification regarding your plans for the first quarter supplemental payments already overdue to Connecticut hospitals.

The October 9, 2015 memo from the Governor's Office states that the "new Small Hospital Pool reprioritizes a portion of the remaining quarter Supplemental payment." This leads us to the obvious concern which is that the state's contribution of \$4.6 million to the new Small Hospital Pool will result in all hospitals losing the \$60.3 million that they would have otherwise received from the first quarterly payment.

This money in total is already overdue to all hospitals as it was supposed to be paid during the first quarter of the fiscal year which ended in September. So for a portion of the money to be reallocated now, leads me to wonder whether the funding will ever reach the hospitals still waiting and still expecting this reimbursement.

Does your distribution of \$14 million from this fund mean that you will only be distributing this small portion of the funds?

If you intend to distribute this overdue reimbursement in full, how will you make up the state impact of \$4.6 million you are pulling away from other hospitals now?

If you are not expecting to distribute these payments in full to all hospitals, it's clear that the governor's cuts are even higher than first reported. It's also clear that your "reprioritization" of funds will leave most hospitals in the state even worse off than they are expecting. This would include the state's urban hospitals that care for a large population of patients on Medicaid.

As you are well aware, the Democrat budget that passed in June called for hospitals to receive \$241.1 million back from the state after paying \$556.1 million in taxes. Paired with the governor's recent cuts to

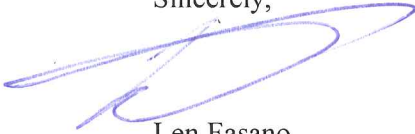
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three quarters of those payments, hospitals are facing severe losses. On top of these cuts, disparity will be further exploited if you continue withholding the \$60.3 million in first-quarter payments all hospitals are supposed to receive for services already provided.

Governor Malloy's attempt to throw six small hospitals a few crumbs after raiding their cabinets will end up creating a larger loss for all hospitals in the state.

I would appreciate clarification on your plans as soon as possible.

Sincerely,

A handwritten signature in blue ink, appearing to read "Len Fasano", with a large, sweeping flourish extending to the left.

Len Fasano  
Senate Minority Leader