



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PLANNING AND DEVELOPMENT COMMITTEE
Friday, March 4, 2011**

**HB 6017, An Act Modifying Certain State Grants In Lieu Of
Taxes And Authorizing The Assessment Of Property
Owned By Universities And Hospitals**

The Connecticut Hospital Association (CHA) appreciates this opportunity to present testimony concerning **HB 6017, An Act Modifying Certain State Grants In Lieu Of Taxes And Authorizing The Assessment Of Property Owned By Universities And Hospitals**. CHA opposes this bill.

HB 6017 authorizes any municipality to, by vote of its legislative body; or, in a municipality where the legislative body is a town meeting, by vote of the board of selectmen; subject the real property of any private nonprofit institution of higher learning, nonprofit general hospital facility, or free standing chronic disease hospital or urgent care facility to taxation.

Before outlining our concerns and reasons for opposing this proposed bill, it's important to first talk about the members of the Connecticut Hospital Association—Connecticut's not-for-profit hospitals—and the critical role they play in the health and quality of life of our communities. Our state's hospitals are more than facts and figures, and dollars and cents—hospitals, at their core, are all about people. All of our lives have, in some way, been touched by a hospital: the birth of a child... a life saved by prompt action in an emergency room... the compassionate end-of-life care for someone we love. Or, perhaps, our son, daughter, husband, wife, or friend works for, or is a volunteer at, a Connecticut hospital.

Hospitals are essentially people taking care of people. Each year, the 52,300 people employed in Connecticut's hospitals care for more than 430,000 people admitted to their facilities, treat nearly 1.6 million people in their emergency rooms, and welcome more than 38,000 babies into the world. We provide care to all people regardless of their ability to pay—in fact, every three minutes someone without health insurance comes to a Connecticut hospital in need of inpatient, emergency, or outpatient surgical services. And, we do this 24 hours a day, seven days a week, 365 days a year.

Our ultimate goal is a healthier Connecticut—this can be accomplished by establishing a healthcare system through which coverage is affordable and sustainable, access to care is guaranteed, and where Connecticut hospitals are financially strong.

Connecticut hospitals are undergoing increasing financial stresses as they serve a growing number of uninsured and individuals on Medicaid and Medicare. In fact, the state's underfunding of Medicaid programs short-changes Connecticut hospitals by more than \$360 million annually, and the short-fall from the federal government in the Medicare program exceeds \$213 million annually.

Governor Malloy's biennial state budget proposes to add to that underfunding by cutting \$83 million in funding from the Uncompensated Care and DSH pools, imposing a 5.5 percent tax on hospitals, and making a number of other reductions and changes to the Medicaid program that will negatively affect hospitals and the people they serve. HB 6107, which authorizes a local property tax on hospitals, will only increase the financial burdens on the fragile financial stability of every hospital in the state.

These actions threaten hospitals' significant role as today's safety net and seriously jeopardize our ability to invest in tomorrow. This massive diversion of hospital funds from patient care to both the state and local municipalities will do nothing to help hospitals meet the healthcare needs of the communities they serve and will significantly increase the cost of healthcare

Thank you for your consideration of our position.

For additional information, contact CHA Government Relations at (203) 294-7310.

JDI:pas