



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
JOINT COMMITTEE ON HIGHER EDUCATION AND  
EMPLOYMENT ADVANCEMENT  
Tuesday, March 9, 2021**

**SB 852, An Act Concerning The Connecticut Health And Educational Facilities  
Authority And The Connecticut Higher Education Supplemental Loan Authority**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 852, An Act Concerning The Connecticut Health And Educational Facilities Authority And The Connecticut Higher Education Supplemental Loan Authority**. CHA supports this bill.

Before commenting on this bill, it is important to acknowledge that, since early 2020, Connecticut's hospitals and health systems have been at the center of the global public health emergency, acting as the critical partner in the state's response to COVID-19. Hospitals expanded critical care capacity, stood up countless community COVID-19 testing locations, and are a critical component of the vaccine distribution plan. Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay. This tireless commitment to the COVID-19 response confirms the value of strong hospitals in Connecticut's public health infrastructure and economy and reinforces the need for a strong partnership between the state and hospitals.

Hospitals have relied on the Connecticut Health and Educational Facilities Authority (CHEFA) for the issuance of tax-exempt bonds since its establishment in 1965. Tax-exempt financing typically offers a lower cost of borrowing than bank loans or other taxable instruments. Interest received by investors on tax-exempt debt is exempt from federal income tax and income tax of the state in which issued, as well. Under current statute, bond proceeds may only be used to fund capital projects or refinance qualified existing debt for healthcare institutions located in the state of Connecticut. Projects typically include acquisition of land, buildings, equipment, and related infrastructure or construction.

This bill broadens the range of entities to which CHEFA is permitted to offer financing support including related healthcare institutions located in another state that are wholly or partially owned or controlled by a Connecticut hospital or health system. It also permits financing for related healthcare institutions in the states of New York, Rhode Island, or the commonwealth

of Massachusetts, if the arrangement is one of common ownership or control as a hospital or health system located in Connecticut. These changes enable CHEFA to support Connecticut hospitals and health systems with related facilities located beyond our borders, thereby ensuring that financing is fully accessible to these cross-border entities and available to fund the full range of essential projects undertaken by healthcare institutions located in this state. In addition, this bill provides much needed flexibility for CHEFA with respect to the projects that it is permitted to finance. This will enable CHEFA to assist with a broader range of financing needs for hospitals, health systems, and their related entities.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.