

For Immediate Release Monday, March 28, 2011 Contact: Patty Montone Charvat (203) 294-7213, (978) 273-7764 (cell) charvat@chime.org

Connecticut Hospitals Contribute \$17.6 Billion to State's Economy

Wallingford, Connecticut—Connecticut hospitals contribute \$17.6 billion to the state and local economies, according to a <u>report</u> released today by the Connecticut Hospital Association (CHA).

"Hospitals make major contributions to both the economic health and quality of life of communities throughout Connecticut," said Jennifer Jackson, CHA President and CEO. "Everyone knows that hospitals are always there when you need them, but few realize the tremendous contribution hospitals make to the state's economy and to the financial well-being of our local communities. The major economic role played by hospitals has taken on even more importance given the state's need for more jobs and strong economic development during these uncertain financial times."

According to the CHA report, *Connecticut Hospitals: Improving Health, Strengthening Connecticut's Economy*, hospitals in Connecticut are responsible for 97,000 jobs statewide, generating approximately \$9.5 billion in annual payroll. Through the purchase of many goods and services, hospitals generate approximately \$6.8 billion annually in economic activity, and Connecticut hospital capital spending generates a total of \$1.3 billion in the economy each year.

Connecticut hospitals spend \$8.6 billion each year on staff salaries and the purchase of medical supplies and food, as well as facility construction. These dollars in turn create a "ripple effect" of another \$9 billion as they move through the larger economy, generating additional jobs and spending in our communities.

"In addition to their traditional care-giving role, Connecticut hospitals keep communities' economies going – serving as a magnet for other healthcare business and a stimulus for new businesses such as retail stores, banks, grocery stores, and restaurants," said Ms. Jackson.

"Strong and stable hospitals are critical to our quality of life and the state's economic health," said Ms. Jackson. "Unfortunately the proposed state budget includes a hospital tax and a cut to hospital uncompensated care funding that would seriously hurt communities' patients, hospitals, and economies."

If the state cuts \$83 million in uncompensated care funds to hospitals, it also loses more than \$41 million in federal matching funds.

"By making a cut of this magnitude, Connecticut would lose **\$176 million** in business activity, **1,417 jobs**, and **\$63 million** in salary and wages – this cut is wrong for hospitals and wrong for Connecticut," said Ms. Jackson. "We ask that members of the legislature say 'no' to hospital cuts and taxes. The Connecticut hospital community is committed to working with the legislature and the Malloy administration to find solutions that make it possible for Connecticut hospitals to remain strong and viable in their role as Connecticut's healthcare safety net."

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The Connecticut Hospital Association has been dedicated to serving Connecticut's hospitals since 1919. Through state and federal advocacy, CHA represents the interests of Connecticut's not-for-profit hospitals on key healthcare issues in the areas of quality and patient safety, access and coverage, workforce, public health, and hospital reimbursement.