



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
WEDNESDAY, FEBRUARY 24, 2016**

HB 5174, An Act Concerning Salaries For Nonprofit Hospital Administrators

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony in opposition to **HB 5174, An Act Concerning Salaries For Nonprofit Hospital Administrators**.

Before commenting on the bill, it's important to point out that Connecticut hospitals provide core healthcare services to all of the people in Connecticut, 24 hours a day, regardless of ability to pay. Connecticut hospitals offer safe, accessible, equitable, affordable, patient-centered care that protects and improves peoples' lives.

Proposed HB 5174 requires not-for-profit hospitals to limit the salaries and bonuses paid to hospital administrators to \$500,000 dollars per year or, if any administrator's salary and bonuses exceed such amount in one year, the not-for-profit hospital would be required to pay property taxes.

Hospital leaders in Connecticut, and across the country, are responsible for the operation and performance of complex, dynamic organizations that include: Running an organization that never closes that is available to everyone, regardless of their ability to pay, 24 hours a day, 7 days a week, and where work is a matter of life and death. Hospital executives manage organizations in a highly regulated sector.

Compensation for hospital executives is governed by a rigorous process that is prescribed by federal law and overseen by each hospital's Board of Trustees.

Connecticut hospitals frequently search for future leaders – as does every hospital in America – through a nationwide search. The candidate pool is not confined to a region or state; is it across the country. For Connecticut to singly limit compensation by otherwise subjecting

hospitals to a punitive property tax would put Connecticut hospitals at a significant disadvantage in recruiting the executives needed to oversee Connecticut's most complex healthcare organizations.

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