



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PLANNING AND DEVELOPMENT COMMITTEE
Wednesday, February 27, 2019**

**SB 788, An Act Allowing Municipalities To Impose A Property
Tax On Certain Facilities**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 788, An Act Allowing Municipalities To Impose A Property Tax On Certain Facilities**. CHA opposes the bill.

Before commenting on the bill, it is important to point out that Connecticut hospitals and health systems provide high quality care for everyone, regardless of their ability to pay. By investing in the future of Connecticut's hospitals, we will strengthen our healthcare system and our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

SB 788 allows municipalities to impose a property tax on outpatient hospital facilities that generate income for hospitals.

Connecticut, like the rest of the nation, enacted the property tax exemption for hospitals many years ago in recognition of the unique and critically important role hospitals play in their communities. SB 788 seeks to erode this exemption by unfairly carving out for taxation a particular type of healthcare facility. The bill would impose an unanticipated new cost on hospitals and health systems for establishing outpatient facilities. These facilities are typically established to meet public demand for services, and are intended to incent and increase access to healthcare services. Taxing efforts to expand healthcare access is bad policy. It fails to acknowledge the benefit of outpatient hospital facilities in promoting the health and well-being of the people of Connecticut.

The benefits of hospitals and health systems extend well beyond their walls, as they strive to improve the health of our communities and play a vital role in our economy. Connecticut hospitals and health systems are cornerstones of their communities, providing great jobs to more than 100,000 people who make sure we have access to the very best care whenever we need it. The jobs provided by hospitals sustain Connecticut families. And every hospital job creates another job in our community, for a total of 204,000 jobs and a total payroll of \$15.3 billion. In total, Connecticut hospitals and health systems contribute \$27.7 billion to the state and local economies.

Hospitals and health systems treat everyone who comes through their doors 24 hours a day, regardless of ability to pay. Currently, Medicare and Medicaid underpays Connecticut hospitals nearly \$1.5 billion each year. In 2017, Connecticut hospitals incurred nearly \$763 million in Medicare losses, nearly \$679 million in Medicaid losses, and spent more than \$111 million on charity care. Adding to that cost is the hospital tax.

Connecticut hospitals and health systems not only care for the sick, but they also play a major and continually expanding role in improving community health. Working with their communities, Connecticut hospitals and health systems are identifying and addressing key health issues people are facing, so they can live healthier lives. These efforts include outreach and support services for patients with cancer, diabetes, and asthma; mobile vans and clinics delivering primary and preventive care; healthy lifestyle education programs; services for the homeless; clinics for migrant farm workers; crisis intervention services; and many other programs targeted to meet specific community needs. The community benefit programs offered by hospitals improve the quality of life in our cities and towns. In 2017, Connecticut hospitals and health systems provided more than 12.4 million services to individuals and families at a cost of \$1.7 billion.

Simply put, hospitals and health systems in Connecticut embody the reason they were granted a property tax exemption.

The commitment of Connecticut hospitals to their communities has not wavered, even while the financial burdens imposed on hospitals by the state have grown increasingly unbearable. CHA urges the Planning and Development Committee to continue to recognize the unique and critical role hospitals play in every community; oppose SB 788 and do not impose additional burdens on hospitals and health systems.

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