



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
Wednesday, February 19, 2020**

HB 5005, An Act Adjusting The State Budget For The Biennium Ending June 30, 2021

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5005, An Act Adjusting The State Budget For The Biennium Ending June 30, 2021** as it relates to the Department of Social Services Budget and the Hospital Agreement.

After months of negotiation, Governor Ned Lamont's Administration, the Attorney General, and Connecticut hospitals came to an agreement that ended more than four years of litigation. The agreement benefits the state, hospitals, and the patients they serve. We are grateful for the unanimous legislative support the Hospital Agreement received in both the House of Representatives and Senate in December, 2019.

The FY 21 budget of the Department of Social Services, included in HB 5005, reflects the Hospital Agreement which was reached and enacted in December. The Hospital Agreement represents a return of the hospital tax to its original purpose – a means to attract federal dollars to Connecticut without being a real net tax burden to hospitals.

The Hospital Agreement eliminates \$1.6 billion over the next seven years in real net tax burden to hospitals and attracts \$4 billion in federal dollars for the general fund, while eliminating a \$4 billion potential liability for the state.

We urge your support for HB 5005, and specifically for the provisions implementing the Hospital Agreement. Your support will help ensure our hospitals, and those they serve, stay healthy. Together, we will build a healthier Connecticut.

Thank you for your consideration of our position.