



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
PUBLIC HEALTH COMMITTEE  
Monday, March 8, 2021**

**HB 6550, An Act Concerning The Office Of Health Strategy's  
Recommendations Regarding Various Revisions To  
Community Benefits Programs Administered By Hospitals**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 6550, An Act Concerning The Office Of Health Strategy's Recommendations Regarding Various Revisions To Community Benefits Programs Administered By Hospitals**. CHA opposes the bill as written.

Many Connecticut communities suffer from long-standing underinvestment and structural racism contributing to high levels of avoidable chronic illness, reduced life expectancy, and health disparities. These health disparities, long apparent to those in healthcare, were starkly revealed to the general public this past year in COVID-19 morbidity and mortality statistics.

Hospitals have a long history of investing in their communities based in large part on the community health needs assessments that hospitals finance and conduct with community members and partners. For years, hospitals have funded the collection of extensive race/ethnic stratified survey data to better inform planning and program design. Hospitals have played a leadership role, while actively collaborating with municipalities, health departments, and community-based organizations to formulate and implement community health improvement plans. They have included the state as a welcome partner in the collaborative process, such as when the Office of Health Strategy (OHS) was planning for its statewide Health Enhancement Community initiative or with the Department of Public Health and its State Health Improvement Plan. Hospitals also have begun exploratory discussions with OHS about a potential role for hospitals as anchor institutions in their communities, using hospitals' power in purchasing, hiring, and investing to stimulate economic recovery and better health.

Hospitals are interested in these discussions because they have an enduring commitment to addressing public health needs and inequities within their communities. However, they also recognize the limits of what they can achieve without meaningful state participation and investment. It is in this spirit of collaboration and cooperation that OHS is best positioned to enable meaningful progress in community health, especially if it helps bring the state's authority and resources to bear in solving for these problems.

The language of the bill emphasizes the role that hospitals can play in supporting the improvement of health status of all populations in their geographic areas, and particularly those that experience barriers to health and well-being as a result of their race, ethnicity, or language; how much they earn and where they live. In order to fully realize this role, hospitals must have access to statewide healthcare utilization data that can be used to examine the patterns and prevalence of health conditions in their communities and the factors that contribute to access barriers, poor health and healthcare outcomes, and health disparities. Such data would support community health needs assessments and also point the way to system, policy, and programmatic solutions that become part of hospitals' implementation strategies. To fulfill the language and spirit of this legislation, we ask that this bill provide hospitals with access to the data they need to advance this important work.

The bill also proposes substantial and unnecessarily prescriptive reporting requirements that would be both costly and excessively burdensome to fulfill and that would potentially complicate and disrupt the administration of community benefit programs. Generally, we believe that community benefit reporting can help inform public-private and cross-sector collaborative efforts to improve community health and the conditions that drive poor health and health disparities. We are prepared to work with OHS to come to a mutual agreement with respect to reporting that balances administrative burden with greater transparency.

Finally, we strongly oppose provisions in this bill that would give OHS unilateral authority to mandate community benefit spending levels, a provision that is precluded by the hospital tax settlement, and which could result in the imposition of significant financial penalties. These requirements fail to recognize that the greatest responsibility for the community conditions that drive poor health rest with the state, which has substantially and chronically under-funded social services and public health.

The magnitude of this under-funding is sizable. As a percentage of our GDP, Connecticut is approximately two percentage points lower than comparable states with respect to spending on social services and public health including investments that impact health and health disparities. Bridging a gap of this magnitude would require billions in new spending each year.<sup>1</sup> It is not reasonable to expect that hospitals can fill this gap.

Hospitals are prepared to partner to solve community health problems, but do not support giving OHS the authority to impose new hospital spending requirements to address what is essentially systemic underfunding of Connecticut's most vulnerable communities. The spending floor requirement also fails to take into consideration the substantial and increasing responsibilities that hospitals bear with respect to uncompensated care, Medicare and Medicaid under-payment, public health, and community benefit investment.

Over the past ten years, hospitals have doubled their community benefit spending, from nearly \$1 billion in 2010 to nearly \$2 billion in 2019. Over this same period, hospitals have invested nearly \$3.8 billion in community benefit services, excluding charity care and Medicaid underpayment. They have done this while providing one of the largest sources of tax revenue for the state of Connecticut. Hospitals were the fifth-highest source of tax revenue in 2019, paying more than all other corporations after considering corporate tax credits. On a per-entity basis, hospitals are among the highest taxpayers in Connecticut. Hospitals have provided nearly \$3.3 billion in revenue from 2012 through 2019. Under the recently approved

and legislatively authorized tax settlement, hospitals will provide an additional \$4 billion in revenue to the state between 2020 and 2026.

In summary, we support the change in authority to OHS and we look forward to conversations with OHS regarding reasonable enhancements to community benefit reporting. However, we stand in opposition to a spending floor, which functions as a tax and is in violation of the hospital settlement agreement with the state.

Connecticut's hospitals stand ready to engage OHS, other state agencies, and the administration in substantive discussions regarding these enduring community health challenges and their solutions. We welcome the opportunity to take concerted action, in partnership with the state, to develop a comprehensive plan to address the drivers of health, health disparities, structural racism, and income inequality in Connecticut.

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

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<sup>i</sup> Variation In Health Outcomes: The Role Of Spending On Social Services, Public Health, And Health Care, 2000–09 Elizabeth H. Bradley, Maureen Canavan, Erika Rogan, Kristina Talbert-Slagle, Chima Ndumele, Lauren Taylor, and Leslie A. Curry, Health Affairs, Vol 35. No 5. May 2016 <https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2015.0814>