



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
FINANCE, REVENUE AND BONDING COMMITTEE  
Tuesday, April 20, 2021**

**SB 1104, An Act Concerning Community Restoration Funds**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 1104, An Act Concerning Community Restoration Funds**. CHA supports the bill.

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.

This bill would implement new community restoration and revitalization measures that will complement existing efforts by hospitals and community partners to address social determinants of health and improve health equity. We recognize and appreciate the language in Section 5 that would enable any entity that is exempt from paying property tax to make a voluntary deposit with a community development credit union to further restoration and revitalization initiatives. We applaud the establishment of a dedicated revenue stream in Section 6 to fund this important work.

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 are also engaged in exploratory discussions with the state 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 have demonstrated an enduring commitment to addressing public health needs and inequities within their communities. They recognize the limits of what they can achieve without meaningful state participation and investment. It is in this spirit of collaboration and cooperation that we support this bill as an important component of the state's strategy to promote community revitalization and restoration, and in turn, community health.

It is important to acknowledge that the magnitude of current underfunding with respect to the social, economic, environmental, and health needs in our most vulnerable communities 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>i</sup> It is not reasonable to expect that hospitals can fill this gap.

Over the past ten years, hospitals doubled their community benefit spending, from nearly \$1 billion in 2010 to nearly \$2 billion in 2019. Over this same period, hospitals 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. 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.

Connecticut's hospitals welcome the opportunity to take concerted action, in partnership with the state, municipalities, residents, and other community providers, to develop and execute a comprehensive plan to address the drivers of health, health disparities, structural racism, and income inequality in Connecticut. Community revitalization and restoration will be a key component of this work.

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>