



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Monday, March 28, 2022**

**SB 476, 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 **SB 476, An Act Concerning The Office Of Health Strategy's Recommendations Regarding Various Revisions To Community Benefits Programs Administered By Hospitals**. CHA supports this bill with proposed technical adjustments.

SB 476 makes several revisions to the community benefit reporting statute and represents the work of the Office of Health Strategy (OHS), Health Equity Solutions (HES), and CHA to better align state reporting requirements with federal reporting requirements, and provides OHS with additional information about hospitals' community benefit and community health activities.

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. 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. They have played a leadership role, while actively collaborating with community partners to formulate and implement community health improvement plans.

Over the past ten years, hospitals have doubled their community benefit spending, from nearly \$1 billion in 2010 to roughly \$2.5 billion in 2020. Over this same period, hospitals have invested nearly \$4 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.

We support the proposed transfer of authority for community benefit program oversight to the Connecticut Office of Health Strategy (OHS). We also strongly endorse what this bill does to establish health equity as a central focus for hospitals' community benefit programs. COVID-19 laid bare the extraordinary health inequities in communities throughout Connecticut and the nation and also opened for examination the longstanding systemic social and economic obstacles to health and a safe environment based on race and ethnicity, socioeconomic status, and many other factors that distinguish the diverse makeup of our communities. This bill promotes the use of community health needs assessments and community health improvement plans as a means to address these obstacles and build toward the goal of equity for all.

The bill promotes a new standard for meaningful participation of community members, especially residents of communities that experience the greatest health disparities. Connecticut hospitals have made great efforts to strengthen their community engagement activities along the lines of what is proposed in the bill and look forward to continued efforts to build on this foundation.

Generally, we believe that community benefit reporting can help inform public-private and cross-sector collaborative efforts. This bill establishes significant new reporting provisions to ensure greater transparency with respect to improvement activities, related impacts, and investments.

The language of the bill emphasizes the role that hospitals can play in supporting the improvement of the health status of all populations in their geographic areas. 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 poor healthcare outcomes and health disparities. This bill will enable the use of data from the APCD to inform communities' health needs assessments and implementation plans.

Importantly, the bill requires OHS to summarize and make recommendations based on hospital reported community benefit activities. Recognizing that rebuilding our communities requires participation from the state and many other sectors, OHS is required to identify additional stakeholders that should be engaged to address community health needs and identify how the state and other stakeholders can assist in addressing identified community health needs or augmenting solutions reported in the implementation plans.

Finally, CHA is recommending two changes to the bill in accordance with terms agreed upon with OHS. On lines 46-50, the bill includes under the definition of a hospital, "*a for-profit entity licensed as an acute care general hospital.*" Because the bill incorporates requirements related to community health needs assessments under 26 CFR 1.501(r)-110 (3)(b)(6)(i), which pertain only to nonprofit hospitals, we ask that this element of the definition be stricken, and the following language be added as a separate provision:

Each for-profit entity licensed as an acute care general hospital shall be considered a hospital for the purposes of this section and shall submit community benefit program reporting documentation as required by this section, including documentation consistent with the reporting schedule and reasonably similar to what would be included on hospitals' federal filings to the Internal Revenue Service, where applicable.

In addition, we recommend that the definition of meaningful participation be amended to include the provision of *summary* information about the use of community input, as agreed upon with OHS, to clarify the information about community input that will be provided to participants, as follows:

In line 60, insert "summary" before "information"

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.