



For Immediate Release

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CHA Refutes Governor Malloy's Statement on Hospital "Profits"

WALLINGFORD – CHA is refuting Governor Malloy's statement that Connecticut hospitals made a profit of \$916 million in 2014.

The Governor's statement that hospitals had a \$916 million profit in 2014 is misleading for two reasons. First, it fails to disclose that a substantial portion of the \$916 amount relates to extraordinary accounting transactions. Second, it implies that nothing much has changed since 2014 for hospitals – glossing over the fact that the Governor has significantly stepped up his gouging of the sick and hospitals that care for them since then.

In 2014, the entire University of Connecticut Health Center recorded in non-operating income \$459 million in state appropriations including its academic and research institutions not related to patient care. In addition, WCHN recorded an addition to non-operating income of \$297 million related to Norwalk Hospital and its related organizations becoming part of the Western Connecticut Health Network. These transactions are one-time events. Removing them, the picture for 2014 is half as rosy as the Governor portrays.

Second, in 2014 the state taxed hospitals \$134 million a year. The Governor doesn't mention that in 2015 he doubled that amount to \$268 million. He also doesn't mention that his latest changes more than double the amount again to \$556 million in 2016.

The Governor's latest moves, if left to stand, will have increased the tax on the sick by \$422 million since 2014 – taking nearly every dime hospitals have.

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About CHA

The Connecticut Hospital Association has been dedicated to serving Connecticut's hospitals since 1919. Through state and federal advocacy, CHA represents the interests of Connecticut's hospitals on key healthcare issues in the areas of quality and patient safety, access and coverage, workforce, population health, health equity, and value-based reimbursement.