



**For Immediate Release**  
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## **New Study: State Can Bring in Tens of Millions Each Year by Investing In Hospitals, Rather Than Taxing Them**

***Analysis by Renowned UCONN Economist Fred Carstensen Shows Investment Would Create Over 6,600 Jobs and Generate \$35 Million Annually For the State***

WALLINGFORD – On December 1, the Connecticut Center for Economic Analysis (CCEA) at the University of Connecticut released an economic analysis revealing that the state can make close to \$35 million per year, and spur job growth and our economy, by investing in hospitals rather than taxing them.

“Hospitals are a huge economic driver in Connecticut, contributing \$21.9 billion annual to our economy,” said Jennifer Jackson, CEO, CHA. “This study shows hospitals can be part of the solution to the state’s budget troubles. By investing in, rather than taxing, our hospitals, we can generate jobs and bring in tens of millions to our state every year. We urge legislators to support this win-win solution.”

Currently, Governor Malloy is taxing hospitals \$556 million per year, resulting in longer hospital wait times, less access to care, and higher healthcare costs for everyone. The hospital tax was originally instituted to bring in federal money, but over time, the state began keeping more and more of the hospitals’ money, foregoing the federal match. Currently, the state is leaving \$373 million federal dollars on the table each year.

The CCEA study found that by returning the tax dollars to hospitals, as the state originally intended:

- More than 6,600 jobs will be created, including full and part-time jobs.
- 60% of those jobs will be generated in industries like construction, administrative and support services, and professional and scientific support services.
- The state would get an additional \$373 million from the federal government.
- The new jobs will lead to increased sales, income, and other related tax revenue that would generate a surplus to the state of over \$30 million annually over and above its \$183 million share of the investment.

The study was paid for by the Connecticut Hospital Association.

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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, community health, health equity, and hospital reimbursement.