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**TESTIMONY OF
ATTORNEY GENERAL RICHARD BLUMENTHAL
BEFORE THE JUDICIARY COMMITTEE
MARCH 14, 2007**

I appreciate the opportunity to support the concept of House Bill 7328, An Act Concerning Enforcement of the Charitable Purposes of Nonprofit Hospitals.

This legislation requires every non-profit hospital to pursue its charitable purpose and use its charitable funds consistent with that purpose. It also authorizes my office to investigate, and issue subpoenas to any non-profit hospital receiving more than \$50 million in Medicaid funding when it is not accomplishing its charitable purpose. If the Attorney General's office finds a violation, the legislation requires a report to be submitted to the tax assessor and chief elected official of the municipality where the hospital is located.

House Bill 7328 supplements and extends existing state oversight authority to ensure that funds are spent in accordance with the charitable intent of the donor to explicitly include non-profit hospitals.

Connecticut hospitals provide significant assistance to needy patients who cannot afford to pay the costs of health care services. At the same time, many hospitals operate businesses, that may be unrelated to health care such as parking garages and food services. This measure provides a strong reminder to hospitals of their non-profit, charitable goals.

Although there may be a need to modify its specific provisions, I support the concept underlying of House Bill 7328.