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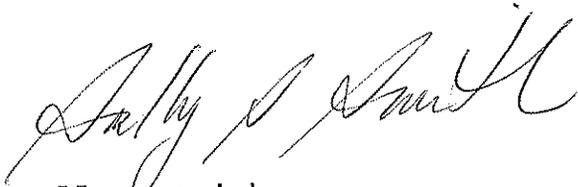
February 12, 2009

Finance, Revenue and Bonding Committee
Room 3700, Legislative Office Building
Hartford, CT 06106

Dear Members of the Finance Committee:

My name is Sally Smith, I am an employee of an ophthalmologist in Shelton, CT, charged with the posting of charges in our practice. I am writing to you for support in opposing HB6349, An Act Concerning the Sales on Services, which would include physician services. Attached is the testimony of our state society, highlighting the problems with this issue, for your review. Thank you for your consideration of this important issue.

sincerely,

A handwritten signature in cursive script, appearing to read "Sally S. Smith".

Sally S Smith

Written testimony
Of the
Connecticut Society of Eye Physicians
Connecticut Dermatology and Dermatologic Surgery Society

Connecticut ENT Society

OPPOSING

HB 6349 An Act Concerning the Sales on Services

The Connecticut Society of Eye Physicians, the Connecticut Dermatology and Dermatologic Surgery Society and the Connecticut ENT Society are opposed to implementing a sales tax on services provided by physicians, and do not believe it is in the State's best interest to do so.

The health care problems in Connecticut are at a critical state; adding the burden of a sales tax to its citizens would have devastating consequences. Such legislation would make healthcare less affordable. Patients already burdened by higher premiums, higher deductibles, and higher co pays would be asked to pay even more. Every time the cost of entry into healthcare increases, people delay treatment, ultimately resulting in still higher costs. Some of the burden would fall on the insurance carriers, who would have to adjust their adjudication systems to account for a CT Sales tax. This would require national insurers to change their national claims systems to allow for a Connecticut sales tax as an "uncovered service," and may, in fact, be illegal under the commerce clause.

But much of the administrative burden would fall upon the small businesses that comprise most doctor's offices, as they struggle to figure out how to charge and collect sales tax on co pays and deductibles and patient balances. Further, when doctors receive EOBs, explanation of benefits, dozens of patients' claims are paid per statement. The billing and accounting nightmare of chasing down the sales tax from each of these claims would cause many doctors to reconsider the wisdom of practice in Connecticut. This is a very real concern, given the current attrition of doctors in Connecticut, and the difficulty attracting new doctors to the state. The unfortunate consequence of levying a sales tax on any healthcare fees will be an increase in the cost of healthcare, a reduction in the availability of healthcare, and, ultimately, a lowering of the health of Connecticut's citizens.

Thank you for your consideration of this important issue.