



**TESTIMONY OF  
RICHARD A. BRVENIK  
PRESIDENT AND CEO  
WINDHAM COMMUNITY MEMORIAL HOSPITAL  
SUBMITTED TO THE  
FINANCE, REVENUE AND BONDING COMMITTEE  
Monday, February 9, 2009**

**HB 6350, An Act Eliminating Exemptions From The Sales And Use Tax And  
Lowering The Rate Of Such Tax**

I, Richard A. Brvenik, President and CEO, Windham Community Memorial Hospital would like to register our hospital's opposition to **HB 6350, An Act Eliminating Exemption From The Sales And Use Tax and Lowering The Rate Of Such Tax.**

As HB 6350 would eliminate most exemptions to the sales tax and lower the rate of the tax to five percent, the impact of this bill would be to reduce our ability to provide quality care to residents of the 19-towns in Eastern Connecticut that we currently service.

Providing patients and communities with the finest quality healthcare services is the highest priority for all of Connecticut's not-for-profit hospitals. Hospitals fulfill a vital role, caring for Connecticut residents 24 hours a day, seven days a week, and we make enormous contributions to the health and quality of life for millions of Connecticut residents. Last year, Windham Hospital provided more than 113,000 outpatient care visits, including nearly 30,000 emergency department visits. Every day, hospitals touch the lives of Connecticut residents by providing critical, high quality healthcare services to people in need. This bill would impose a sales tax on every one of those services.

Hospitals also make vital contributions to the state's economy. They are major employers, offering jobs at all skill and salary levels in a growing employment sector. Connecticut hospitals won't move out of Connecticut in search of a more favorable business climate – Connecticut hospitals are here to stay. Hospital purchases provide important secondary income and job benefits to the local economy. Hospitals serve as a magnet for other healthcare business and serve as a stimulus for economic development, attracting other businesses into the community, such as retail shops, banks, grocery stores, and family restaurants.

But the ability of Connecticut hospitals to continue to make such contributions is constantly threatened. Payments for individuals enrolled in state and federal programs always fall short of the amount needed to cover the cost of care. These deficits rob Connecticut hospitals of the dollars needed for investment in facilities and acquiring modern technology. As of today, it would take \$1.1 billion in investment by Connecticut hospitals to catch up to the nation in average age of physical plant.

The competing pressures of government funding cuts, the need to attract and maintain a superior workforce, rising input costs, and the continuous effort to improve the care given have put Connecticut's hospitals in a financially tenuous position. The imposition of a five percent sales tax on our net patient revenue would divert approximately \$4 million away from patient care in addition to increasing our expenses for supplies and equipment by nearly \$1 million. This would essentially eliminate any operating gain to be used for future investments in our infrastructure, equipment and technology and put us into the red. Additionally, we, like many Connecticut hospitals have been experiencing a decline in our volumes as people struggle to pay for healthcare services. This proposed legislation will surely have the adverse effect of increasing the cost of healthcare and further test the fragile financial status of our hospital. Therefore, I ask you to vote against **HB 6350, An Act Eliminating Exemptions From The Sales And Use Tax And Lowering The Rate Of Such Tax.**

Thank you for your consideration.

A handwritten signature in cursive script that reads "Dick Bwanik". The signature is written in black ink and is positioned in the lower-left quadrant of the page.