

\$475 Million For A New Hospital? Yes, UConn

Rick Green

March 3, 2009

Spending \$475 million on a new hospital for the University of Connecticut seems unimaginable in the midst of the Great Recession.

Taxpayers would also have to subsidize \$13 million in annual expenses for years to come under UConn's proposed partnership with Hartford Hospital. Meanwhile, a state deficit of as much as \$8.7 billion is staring us down.

A new hospital seems like an easy one to shoot down right now, but what happens if the legislature rejects this proposal?

Plenty. The project could spawn thousands of new jobs and bring in \$1 billion in net, new state revenue over the next 20 years, according to UConn.

This matters in a state in which manufacturing and financial-sector jobs are disappearing, young people are leaving and gambling is viewed as our growth industry.

"We need to make this state more competitive. We need to create an attractive job base and build off assets we already have," said UConn economist Fred Carstensen. A consultant to the project, Carstensen called the expanded Health Center "a huge economic driver. It more than pays for itself. It generates very significant benefit for the state."

Without a larger university hospital to replace Dempsey, "there is an opportunity cost that will be lost," said Myron Genel, senior research scientist at Yale University School of Medicine and president of the Connecticut Academy of Science.

"If you don't do it now, the likelihood that it will ever get done is really remote," said Genel, a retired pediatrician who was chairman of the study committee appointed by the General Assembly that examined what to do about UConn's Health Center.

"What is going to drive the economy of the capital region in the next 25 to 30 years?"

The legislature will begin to take up the question this week, with a public hearing on the hospital proposal set for Thursday. Thus far, a spokesman said that Gov. Rell was concerned about the price tag, but she hasn't said more.

Supporters like Genel say that a larger hospital with more clinical research opportunities will bring more jobs, federal grants and other development. With just 224 beds, Dempsey Hospital still ranks in the middle of the pack in federal grant revenues. In general, universities with a larger hospital pull in more federal money, create more jobs and have a greater local economic impact.

A larger Health Center, which with Hartford Hospital would have 1,100 beds, would make UConn competitive with some of the most prominent institutions in the country.

"If the Health Center goes down, it will pull the whole university down. It can't be any other way," UConn President Michael Hogan told me, explaining that about half of the university's \$185 million in research money is connected to the health center. Without an expanded Dempsey, this figure could drop by one-quarter, he said.

Despite this, state Sen. John McKinney, R-Fairfield, argues that a big fancy university hospital "is just not

affordable."

"I do not believe the area hospitals and the state have fully investigated their other options," McKinney said.

Some suggest that Hogan is over-dramatizing the need for a hospital.

"It would make it very difficult and next to impossible to retain our best people and to recruit," Hogan responded when I asked him about this. "It's the springboard for going forward. This is huge. I've been very sensitive to people saying that I'm overstating the case. I'm not. I may be understating it."

Patricia Baker, president of the Connecticut Health Foundation and a member of Genel's committee, believes that this isn't a debate about the future of the university or even the medical school.

"It's about our vision for the future. This is about the workforce and about creating a credible knowledge center," said Baker. "It's a moment in time that is essential."

This is a lot of money. Sen. McKinney is right when he says we must decide whether yet another grand UConn spending project — after UConn 2000 and the money going to the state university system — "makes sense."

But the real question might not be whether we can afford this hospital. It's if we can afford not to build it.

Rick Green's column appears on Tuesdays and Fridays. Read his blog at <http://courant.com.rick>.