

**KEY POINTS TO BE MADE
IN THE TESTIMONY OF
Saint Francis Hospital and Medical Center
BEFORE THE COMMITTEE ON
HIGHER EDUCATION
AND EMPLOYMENT ADVANCEMENT
March 5, 2009**

Saint Francis Hospital and Medical Center's Academic Commitment

Saint Francis Hospital and Medical Center has maintained a century-long commitment to the education of physicians and other health professionals. We have sponsored residency programs since the 1950s, have been affiliated with the University of Connecticut School of Medicine for 40 years, and maintain teaching affiliations with the primary professional and technical schools in the region. Health professions education is at the core of our identity and Saint Francis recognizes health professions education as an essential element of quality care, patient safety, and provider satisfaction. We have and we remain committed to helping the University of Connecticut School of Medicine to become a world-class medical school. In fact, we have increased our commitment to the UConn Medical School by:

- **Creating a new position of Chief Academic Officer;**
- **Recruiting new physicians with national clinical and educational reputations;**
- **Supporting new initiatives to elevate both our educational and research endeavors.**

The UConn/Hartford Principal Partnership

The original University of Connecticut Health Center Solicitation of Interest requested that any respondent to their proposal provide the capital and operating dollars needed to support the John Dempsey Hospital. **The current Hartford Hospital/UConn proposal does not meet the requirements of the original University Solicitation of Interest.**

Instead of Hartford Hospital having to provide the capital for upgrading or replacing John Dempsey Hospital the **University now proposes that the state supply \$475 million to build a 250 bed replacement hospital. Yet, even the \$475 million dollar price tag stated in the UConn/Hartford proposal is just the tip of the iceberg. The true cost of financing a \$475 million dollar building project over a 30 year bond period is approximately \$1.5 billion state dollars.**

Instead of Hartford Hospital paying for the wages of state employees and preserving their union contracts, the **University proposes the state provide a \$13 million per year fringe benefit subsidy for at least ten years and supports privatization of a state asset.**

Instead of Hartford Hospital paying a fair market value lease for state property when it takes over John Dempsey Hospital, it appears that the **University leases John Dempsey to Hartford Hospital for free.**

In essence, if this proposal is implemented, **the state gives Hartford Hospital a free, brand new 250 bed hospital** to compete with all the other hospitals in the Greater Hartford Region.

Today, the State of Connecticut and its hospital community face unprecedented financial challenges. One only has to pick up the local papers to read of the \$35.5 million loss at The Hospital of Saint Raphael's, the bankruptcy proceeding for Johnson Memorial Health System, layoffs at Gaylord Hospital, Waterbury Hospital, New Milford Hospital and Eastern Connecticut Health Network (ECHN), and cessation of merger talks between Waterbury Hospital and Saint Mary's Hospital, to mention just a few hospitals with significant financial woes.

In fact, the Connecticut Hospital Association recently reported that in FY2008 statewide hospital margins hit a negative 1.1% which was a \$404 million drop between FY2007 and FY2008.

People often forget that Connecticut does not have a public hospital system to serve the poor; instead, it relies on its private hospital community to meet that need. Therefore, the \$605 million state investment proposed for the University of Connecticut Health Center/Hartford Hospital principal partnership must be viewed in the context of that greater hospital community's current economic crisis. **We simply cannot afford to spend this many precious state dollars on just two institutions.**

A Rational Alternative

We do not believe that implementing UConn/Hartford Hospital principal partnership is the only way to ensure the future success of the academic research and clinical enterprise known as the University of Connecticut Health Center.

We see a much more collaborative approach as equally likely to succeed. Saint Francis is a strong proponent of the Connecticut Health Education and Research Collaborative, which builds on our response to the Solicitation of Interest. With representatives from UConn, Connecticut Children's Medical Center, Hartford Hospital, the Hospital of Central Connecticut, and Saint Francis Hospital and Medical Center, this initiative can

deliver tangible results that are free of bricks-and-mortar considerations for Dempsey Hospital. More specifically, we believe the Collaborative will:

- Enhance the coordination of medical and dental education across the continuum of training and practice.
- Support the Connecticut Institute for Clinical and Translational Science in efforts to expand research and research funding.
- Champion new efforts to develop and disseminate proven models of care, particularly for our underserved populations.
- Work to develop a state-of-the-art patient simulation program for teaching, assessment, and research.
- Facilitate recruitment and retention of outstanding faculty to advance the educational and research missions.
- Offer combined strategies for biomedical research and development that will create a vital economic engine in the region.

This collaborative model can easily be extended to the clinical arena. In fact, at this very moment the University of Connecticut School of Medicine is part of a system composed, not of 1,100 beds as the proponents of Hartford/UConn proposal suggest but of 2,354 licensed beds represented by the major teaching affiliates of the University of Connecticut, i.e., Connecticut Children's Medical Center, Hartford Hospital, The Hospital of Central Connecticut, and Saint Francis Hospital and Medical Center. We need to explore other ways to work more closely together clinically. It is very likely that such collaboration will lead to a viable solution that helps make UConn a world-class academic medical center while making the region a recognized destination for outstanding healthcare.

Given the national and state fiscal crisis we presently face we must act in a responsible fashion that conserves scarce public dollars and spends these dollars where they can do the most good. This project's \$605 million price tag is just too large.

Saint Francis urges you to reject the proposed Hartford Hospital/University of Connecticut Health Center Principal Partnership and call for all parties to perform further strategic collaborative planning to identify a more economically viable collaborative and community sensitive solution.