



**Testimony of
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Higher Education & Employment Advancement Committee
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Thank you for the opportunity to testify today. My name is Michael J. Hogan. I am the President of the University of Connecticut.

Today, I'm here to describe a plan the Governor announced on March 9th, "The UConn Health Network & Connecticut Biosciences Initiative." This plan will improve access to healthcare, create thousands of jobs, put the John Dempsey Hospital (the State's only public academic hospital) on firm financial footing, and drive the State's public School of Medicine toward the nation's top-tier.

This plan corresponds in many ways with the recommendations made by the Connecticut Academy of Science & Engineering in the report it issued two years ago at the direction of the General Assembly. In the two years since the report was issued, we've engaged in thousands of hours of discussions and negotiations with the key stakeholders in the future of the Dempsey Hospital and our Schools of Medicine and Dental Medicine, including:

- The University of Connecticut
- The State of Connecticut
- Connecticut Children's Medical Center
- Hartford Hospital
- St. Francis Hospital
- Hospital of Central Connecticut
- Bristol Hospital

The plan, supported by the regional hospitals, entails a new bed tower with about 164-169 beds at the Dempsey Hospital and renovation of older space. There will be 65 beds in four service areas: corrections, psychiatry, obstetrics, and non-intensive care newborns. The total number of John Dempsey licensed beds will increase from the current 224 to between 230 and 234.

The proposed UConn Health Network involves collaboration with our regional affiliated hospitals:

- Subject to the all regulatory approvals, CCMC will own and operate the Dempsey's existing Neonatal Intensive Care Unit thereby providing the opportunity for the Dempsey to expand the number of medical-surgical beds within its existing license.
- The total increase in medical-surgical bed capacity will be 46-50 beds. This will generate the revenue needed to offset the costly beds that help us meet our public service mission.
- The increase in medical-surgical beds will create a small positive operating margin, allowing us to modestly increase the class size in the School of Medicine and the number of Dental Medicine primary care residencies, addressing the State's serious shortage of physicians and dentists.

- A Regional Primary Care Institute will be located at St. Francis Hospital, encouraging more students and residents to train in primary care and improving access to primary care.
- Hartford Hospital will house a Regional Simulation Center, training students, physicians, nurses, and other healthcare professionals in the state-of-the-art techniques and treatments that are rapidly arising as medical innovations advance. At this facility, doctors and healthcare workers throughout the State will be able to perfect new techniques in surgery and medical care without risk to patients.
- UConn will leverage its existing expertise in studying healthcare inequality by establishing a Regional Health Disparities Research Institute to address this costly and chronic healthcare issue. Disparities in healthcare are costly to those who experience them and to the entire state and nation. The Institute will encourage collaborations with area hospitals and healthcare agencies and draw on UConn's established relationship with the National Medical Association's Cobb Institute for resources and support. State support for this regional collaborative initiative will attract increasingly available federal and other grants to help us address this expensive healthcare problem.
- This same network of UConn-affiliated hospitals and agencies has launched a Regional Clinical & Translational Science Institute, which will also be part of the UConn Health Network. Clinical & translational science takes basic discoveries in the biosciences from "bench-to-bedside" by translating research discoveries into new drugs, treatments, and devices that save and improve lives. Already, our Clinical & Translational Science Institute is creating networks of collaborating scientists and hospitals to more efficiently tap new federal funding that's available in this area. Through the Institute, we can more rapidly move discoveries (from the bench), to lifesaving treatments (the bedside), and into the market, creating new commercial businesses.
- As more discoveries are moved more quickly into the market, the plan will also designate a new enterprise zone – a Biosciences Enterprise Zone. This will drive new commercial businesses and thousands of high-paying jobs in biomedical science to the region; it will create new revenues for the state; and it will make the region a biomedical destination.

Forecasts from the Connecticut Center for Economic Analysis show that implementing the plan will create over 5,000 new jobs in less than 10 years and about 7,000 new jobs in less than 20 years – and, this doesn't include associated jobs in the private sector. The result will be \$1.5-Billion annually in new personal income by 2040, \$1-Billion in Gross Domestic State Product, and \$1.1-Billion in new tax revenue for Connecticut.

The investment needed is \$352M. \$20M in state bonding will be devoted to the UConn Health Network programs listed above. \$25M will come from reallocated existing funding for UCONN 21st Century, which will be used to fund the project's design costs in the first two years. During these first two years, no additional State money will be needed for the bed tower construction and renovation. After the first two years, \$207M in additional state bonding will be required for the new patient tower and renovation of older space, along with \$100M from federal funding or other sources.

It's an exciting plan that will stimulate the economy. It will improve access to healthcare, promote biomedical research, enhance collaboration across the region's healthcare providers, place the Dempsey Hospital on firm financial footing, and move the School of Medicine toward top-tier status.

Thank you for the opportunity to share this plan with you. I'm happy to answer any questions.