

Johnson Memorial Hospital



**TESTIMONY OF
KELLY SOUKUP
Johnson Memorial Hospital
SUBMITTED TO THE
PLANNING AND DEVELOPMENT COMMITTEE
Friday, March 21, 2014**

HB 5583, An Act Concerning the Payment of Real Property Taxes by Certain Institutions of Higher Learning and Hospital Facilities

Johnson Memorial Hospital appreciates the opportunity to submit testimony in opposition of **HB 5583, An Act Concerning the Payment of Real Property Taxes by Certain Institutions of Higher Learning and Hospital Facilities.**

My name is Kelly Soukup and I am the Revenue Enhancement Specialist at Johnson Memorial Hospital in Stafford, Springs. Connecticut, like the rest of the nation, enacted the property tax exemption for hospitals in recognition of their critically important role in the community. We understand municipalities need to fulfill their financial obligations with respect to budgets; however, hospitals already make a significant contribution to the community in many economic ways. Instituting a property tax to already financially fragile hospitals would seriously impact their ability to provide safe quality health care services. In particular, Johnson Memorial supports its local communities by providing free health screenings, health educational programs, support groups and free care to the uninsured, which equals approximately \$400,000 over the past three years. Hospitals treat everyone who comes through their doors 24 hours a day, regardless of ability to pay. In 2012, Connecticut hospitals provided nearly \$225 million in free services for those who could not afford to pay. This in particular, coupled with the potential reimbursement changes will seriously impact not only Johnson Memorial Hospital, but all Connecticut hospitals.

In addition to our care giving role, Johnson Memorial Hospital is an important part of the local economy and the area's economic development strategies. Johnson Memorial Hospital employs 1100 associates, with a total payroll of \$33,643,000. Hospital payroll expenditures serve as an important economic stimulus, creating and supporting jobs throughout the local and state economies.

Each year Johnson Memorial Hospital spends about \$23,245,000 on goods and services it needs to provide healthcare – e.g., medical supplies, electricity for its buildings, and food for patients. Funds

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Page 2**

spent on goods and services flow from the hospital to businesses and then ripple throughout the economy. These dollars generate a total of \$25,093,000 for the local economy. Dollars earned by Johnson Memorial Hospital employees and spent on groceries, clothing, mortgage payments, rent, local and state taxes, etc., generate approximately \$36,317,000 in economic activity and create an additional 470 jobs for the local economy.

Many members of our respective communities entrust us with their personal healthcare as well as that of their family members and expect the best possible care for their individual needs. In addition, many of these individuals are Connecticut taxpayers and are already concerned with high deductibles and increased premium costs. A tax of this nature will increase the cost of healthcare and higher education resulting in less people seeking, or being able to afford, higher education and healthcare services. If this were to happen, it would affect not only the physical wellness of the population, but also the educational wellness resulting in a lack of educated and qualified individuals to fill positions being vacated as the older population retires.

Johnson Memorial Hospital has always been committed to improving patient care and ensuring that every person receives safe, excellent care. Generations of families have come to rely on Johnson Memorial Hospital to care for them in sickness and health over the past 100 years. It is critical that Johnson Memorial Hospital be financially strong and stable. Making an investment to assure the safest quality health care for Connecticut's citizens is an absolute must.

As a lifetime resident of Stafford Springs and a long-time employee of Johnson Memorial Hospital, I am very concerned about the impact this tax will have on Johnson's continued ability to provide high quality healthcare in our community. In addition, as one of the largest employers in Stafford Springs, and given Johnson's financial history as a distressed hospital, the implementation of this tax could be detrimental to Johnson's viability.

Johnson cannot endure another tax. We are asking that you reject this bill and keep the current tax exemption in place.

Thank you for your consideration of our position.