

**TESTIMONY OF  
STUART E. ROSENBERG  
PRESIDENT AND CEO  
JOHNSON MEMORIAL HOSPITAL  
BEFORE THE PUBLIC HEALTH COMMITTEE  
Wednesday, March 19, 2014**

**SB 460, An Act Concerning Hospital Conversions and Other Matters Affecting Hospitals  
And  
HB 5571, An Act Concerning Certificate of Need Requirements, Hospital Conversions  
and Medical Foundations**

I submit my testimony in opposition of **Senate Bill 460, An Act Concerning Hospital Conversion and Other Matters Affecting Hospitals and House Bill 5571, An Act Concerning Certificate of Need Requirements, Hospital Conversions and Medical Foundations.**

Johnson Memorial Hospital understands and continues to recognize the many challenges identified due to the dynamic nature of the healthcare environment at this time. Johnson Memorial acknowledges that the rapid movement from a traditionally non-profit hospital industry toward integrated health systems that include both non-profit and for profit entities brings into question whether the current regulatory processes for oversight are aligned with and designed to efficiently evaluate changes to the healthcare marketplace.

It is the opinion of Johnson Memorial Hospital, that both **House Bill 5571: Hospital Conversions and Medical Foundations and Senate Bill 460: Hospital Conversions** impose undue burdens to the existing regulatory environment. It also seeks to reduce or hinder the desirable goal of allowing hospitals to create strategic alliances and/or partnerships that promote wellness, patient safety, and reduce the cost of healthcare in the state. Therefore, Johnson Memorial Hospital opposes both bills as currently written.

Below is a succinct summary of the specific concerns Johnson Memorial has identified with these bills:

- SB 460 treats conversion by not-for-profit hospitals to for-profit and partnerships between non-profit hospitals the same. This was not the intention of earlier statutes and seems excessively broad;
- SB460 expands the definition of conversion to a much lower ownership threshold than is practicable, in some instances requiring review of changes of no more than 10% of voting rights, interests or assets;

- SB 460 establishes a large new set of data requests that could become a significant and undue barrier to transactions, particularly if the information becomes public; and
- Both SB 460 and HB 5571 expand the Scope of Services covered by the Certificate of Need statutes to extraordinary levels beyond what is intended.

The Connecticut hospitals are a vital part of the state economic system creating over \$20.2 billion in economic value for Connecticut and over 110,000 employees, 55,000 of whom are employed by hospitals directly.

Johnson Memorial Hospital and its employees have always been committed to improving patient experience and ensuring that every person receives safe, excellent care. In fact we believe that just like public safety, clean air, pure water and excellent educational facilities, a high performing hospital system is imperative to maintain an environment that promotes a standard of excellence our communities have relied on for many years.

Any change in the state regulatory environment in which the Connecticut hospital industry operates should seek to build on the success Connecticut hospitals have had in meeting the needs of Connecticut's citizens for high quality and cost effective care. It should not reduce the hospital's ability to create strategic partnerships to foster safe care, lower costs, and improved wellness in this rapidly changing healthcare environment.

Help us continue to make this positive contribution by not passing this legislation as it would significantly hinder the future success of all Connecticut hospitals.

Thank you for your consideration of our position.



President/CEO