

**TESTIMONY OF
ROBERT C. HARTLEY
SENIOR VICE PRESIDENT
SAINT FRANCIS HOSPITAL & MEDICAL CENTER
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**

Saint Francis Hospital and Medical Center recognizes the many concerns raised by the dynamic nature of the healthcare environment at this time. Saint Francis also understands that the rapid conversion of a traditionally non-profit hospital industry into a more complex set of systems that include both non-profit and for profit entities can cause many to question whether the current processes for oversight are properly prepared to evaluate these changes and protect the interests of the public. However, Saint Francis Hospital and Medical Center believes that both **House Bill 5571: Hospital Conversions and Medical Foundations** and **Senate Bill 460: Hospital Conversions** create an overly burdensome regulatory environment that could undermine, if not completely stymie, the desirable goal of allowing hospitals to create strategic alliances or partnerships that promote provision of better, safer health at lower costs within the state. Therefore Saint Francis opposes both bills as currently written.

While not exhaustive, here are some of the specific concerns Saint Francis has 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;
- SB 460 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 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 that, in some cases, could boarder on religious discrimination.

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.

Saint Francis 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 clean air, pure water, and excellent education facilities, a high-quality healthcare system is a foundational building block for any successful economic growth policy as it creates an environment that creative businesses and skilled workers expect.

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, cost effective care.

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

Thank you for your consideration of our position.