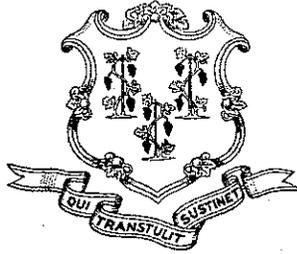


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State of Connecticut

SENATE
11th District

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Good afternoon Senator Gerratana, Representative Johnson and Members of the Public Health Committee. I would like to express my support for S.B. 460 AN ACT CONCERNING HOSPITAL CONVERSIONS AND OTHER MATTERS AFFECTING HOSPITALS and H.B. 5571 AN ACT CONCERNING CERTIFICATE OF NEED REQUIREMENTS, HOSPITAL CONVERSIONS AND MEDICAL FOUNDATIONS.

A decade ago, we were faced with the claim that if Sharon Hospital was not allowed to be acquired by a for-profit entity it would be forced to close leaving many Litchfield county residents with no local hospital access. Many assurances were given that this situation was for this turn only. Claims were made that the situation facing Sharon Hospital was unique and we need not worry that creating a streamlined process for "hospital conversion" would lead to a run on the hospitals in our state by for profit chains. In reliance on these claims, the General Assembly passed Public Act 03-73 which created the new process for hospital conversion. Clearly these one turn only claims were not reality. We now see a number of hospitals, including Waterbury Hospital, begin the conversion process. We see Yale-New Haven creating a joint medical

foundation with Tenet Healthcare that will allow Tenet to skirt the Connecticut statute that prohibits a for profit hospital corporation from employing physicians. We also have seen St. Francis Hospital merge with the for-profit arm of Ascension Health. SB 460 would, wisely, slow this movement down. The bill would allow for -profit hospital conversions that have filed papers by October 2014 to proceed but with additional requirements and oversight. It would not allow any additional for-profit hospital conversions to file after that date. I believe that this bill is on the right track; we should not allow additional for-profit hospitals into our state until we have all of the information on all of the various entities that are bidding to make profits from the healthcare needs of our citizens. SB 460 also makes clear that the for-profit hospitals will not be exempt from municipal property tax and that the new for-profit entity shall reimburse the towns for their property tax losses during the year of the conversion. The bill also institutes a requirement for a certificate of need (CON) for termination of inpatient or outpatient reproductive services. I believe that a CON should be required for any reduction rather than just termination of reproductive services. In addition, employees' collective bargaining rights must be protected in these conversions.

HB 5571 addresses related issues. It contains the same CON requirement regarding reproductive services and it would require the Attorney General to consider certain assets of a nonprofit hospital when making a determination on a hospital conversion; it also changes the definition of provider for purposes of provisions

concerning medical foundations. Clearly with the recent action by Yale-New Haven and Tenet creating a joint medical foundation, these entities need careful scrutiny.

Another issue of concern regarding the status of healthcare delivery in our state has been brought to my attention by physicians in my district. Apparently hospitals are putting increasing pressure on physicians in private practice to sell their practices to the hospitals. There are many potential effects to the increasing number of hospital owned practices including a lessening of the bond of the doctor patient relationship and a near monopoly in healthcare delivery. The doctor patient relationship, which is key to quality care, is further abraded by hospitalists taking over as the attending physicians on many cases in the hospitals while the patients' own doctors are discouraged from following the case once the patients are hospitalized. Physicians who do not wish to sell their practices should be offered some protection in our statutes.

Thank you for raising these important bills.