

TESTIMONY OF
MIDDLESEX HOSPITAL
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Wednesday, March 19, 2014

**SB 460, An Act Concerning Certificate of Need Requirements, Hospital Conversions and Other Matters Affecting Hospitals, and
HB5571, An Act Concerning Certificate of Need Requirements, Hospital Conversions and Medical Foundations**

Middlesex Hospital appreciates the opportunity to submit testimony concerning **SB 460, An Act Concerning Certificate of Need Requirements, Hospital Conversions and Other Matters Affecting Hospitals, and HB5571, An Act Concerning Certificate of Need Requirements, Hospital Conversions and Medical Foundations**. Middlesex Hospital opposes both bills as written.

The State of Connecticut already has hospital conversion laws and a strong Certificate of Need (CON) process to which hospitals have been subject to for years. The current regulatory environment preserves patient access, safety and quality of care while allowing hospitals flexibility to meet their changing needs. It is uppermost in the thinking of Middlesex Hospital's Boards of Directors and management to act in the best interests of the community we serve.

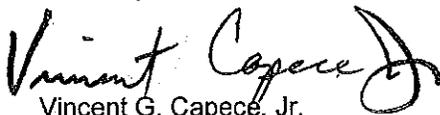
Middlesex Hospital in the recent past embarked on a comprehensive and intensive process, weighing the pros and cons of affiliations with other hospital systems and concluded that it was in the best interest of the Hospital and community it serves, to remain independent for the foreseeable future. We understand that the Department of Public Health and the Attorney General have statutory oversight responsibilities to assess and confirm that changes to a hospital's governance / ownership are in the public interest. However, in our opinion, **SB 460** goes too far in significantly increasing the regulatory requirements, both with the Department of Public Health and Attorney General, for the conversion of not-for-profit to for-profit status and subjecting certain transactions involving only not-for-profit hospitals and health systems to an unduly burdensome regulatory review and approval process.

HB 5571 would require the Attorney General to consider certain assets of a not-for-profit hospital in making a determination on a hospital conversion, and it would change the definition of provider for purposes of provisions concerning medical foundations.

In our opinion, **SB 460** and to a lesser extent **HB 5571** as drafted, create an overly burdensome state regulatory process that will prevent or significantly delay hospitals and healthcare systems creating strategic partnerships that allow them to adapt and prosper in the new and rapidly changing federally-inspired healthcare model that will change delivery objectives and incentives in the movement to foster accountable care organizations.

Thank you for your consideration of our position.

Sincerely,


Vincent G. Capece, Jr.
President and CEO