



Testimony of Kimberly A. Lumia
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Submitted to the Finance, Revenue, and Bonding Committee

HB 7058 AN ACT CONCERNING THE HOSPITAL TAX

April 21, 2015

Thank you for this opportunity to submit testimony in support of **HB 7058, An Act Concerning The Hospital Tax**.

Before commenting on the bill, it's important to point out that Sharon Hospital treats everyone who comes through their doors 24 hours a day, regardless of ability to pay. It is equally important to underscore that Sharon Hospital is Connecticut's only for-profit hospital, paying in excess of \$300,000 annually in income and property taxes.

The delivery of healthcare services in Connecticut and nationwide is undergoing transformative changes. Hospitals are the front line of health care and Sharon Hospital is proud to lead the way in providing safe, accessible, affordable, patient-centered care for all who enter our doors. Sharon Hospital continually strives to implement innovative solutions to integrate and coordinate care to better serve our patients and communities.

The hospital tax adopted in 2011 has challenged us to minimize the impact on our patients. While in place, it continues to impede our ability to innovate and reinvest in our community and infrastructure, and should be repealed. Its original purpose was to leverage federal funds to help the State balance its budget. The reimbursement to hospitals has continually been reduced to the point where over the last two years Sharon Hospital has paid in excess of \$2 million or 5% of its annual operating budget.

At a time when we are working to reduce health care costs, re-invest in innovative best-in-class technology, and provide accessible affordable care to all our patients,

the continuation of the hospital tax is counter-productive. The State must begin to phase out this tax which is destabilizing our health care industry – an industry with high quality jobs that pay good wages, offer comprehensive benefits and stimulate the local economy. To that end, we would welcome the opportunity to work with the legislature and the administration to create an agreed upon mechanism that allows for the elimination of what is essentially a regressive tax model that works to the detriment of patient care.

Thank you for your consideration.