



**TESTIMONY OF YALE NEW HAVEN HEALTH SYSTEM
PRESENTED TO THE
PLANNING AND DEVELOPMENT COMMITTEE
Wednesday, March 11, 2015**

HB 6965, An Act Concerning the Preservation of Municipal Tax Bases

Good Afternoon, my name is Augusta Mueller, and I am the Community Benefits Manager for Yale New Haven Health System (YNHHS). Thank you for the opportunity to testify in opposition to **HB 6965, An Act Concerning the Preservation of Municipal Tax Bases**. The bill seeks to levy yet another tax on hospitals in just four short years. More specifically, the bill seeks to require that colleges and hospitals pay taxes on properties acquired on or after July 1, 2016 to municipalities in which they are located.

Like many hospitals across Connecticut, Yale New Haven Health System (YNHHS), comprising Bridgeport Greenwich and Yale-New Haven Hospitals and the Northeast Medical Group, is the heartbeat of our communities. With over 20,000 employees and 6,300 medical staff, we are among the largest employers. YNHHS provides comprehensive, cost-effective, advanced patient care characterized by safety, quality and service. We offer our patients a range of healthcare services, from primary care to the most complex care available anywhere in the world. YNHHS hospital affiliates continue to be a safety-net for our communities, and we provide care 24 hours per day, seven days per week. In addition to being economic engines for our communities, YNHHS hospitals care for more than one quarter of the State's Medicaid patients and provided \$180 million in free and uncompensated care in 2014 to those who needed our services and had no ability to pay for them.

Measures such as HB 6965 will only serve to further destabilize Connecticut hospitals that have already felt the impact of several funding cuts. In 2014, Connecticut hospitals paid \$349.1 million in the so-called hospital tax. The Governor has proposed to increase that tax by \$165 million, bringing the tax to \$514.4 million per year. This is in addition to proposed reductions to Medicaid provider rates by \$107.5 million in FY 2016 and \$117.5 million in FY 2017, the elimination of a \$15 million low-cost hospital pool, and the withholding of hospital supplemental payments of \$12.9 million in FY 2014 and \$16.1 million in FY 2015. Hospitals have done extraordinary things to minimize the impact to patient care, but it is becoming increasingly more challenging, especially considering that hospitals are also impacted by federal funding cuts.

YNHHS is an important and integral part of our local communities, and this bill does not take into consideration some of the benefits we offer. From building Habitat homes and also providing incentives for qualified employees to live in some of our communities through our HOME program, YNHHS combined community benefit for 2013 equaled nearly \$500 million that helped to guarantee access to care, advance careers in healthcare, promote health and

wellness, build stronger neighborhoods and create healthier communities. In addition, the positive economic impact that we generated for our communities in 2014 through creating hospital jobs, which created additional jobs and spending within our local communities; the purchase of supplies and food; and facility construction equaled billions of dollars that cannot be understated.

We understand that municipalities are also facing financial challenges, and they must balance their many competing priorities with limited resources. However we encourage the legislature to seek solutions that will not further destabilize Connecticut hospitals. We urge you to keep the current tax exemption and PILOT funding structure in place.

Thank you for your consideration.