



Testimony Of
Kurt A. Barwis, FACHE, President and CEO
Bristol Hospital and Health Care Group, Inc.

SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
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**HB 6824, An Act Concerning The State Budget For The Biennium Ending June 13 2017,
And Making Appropriations Therefor And Other Provisions Related To Revenue**

Good evening Senator Bye and Representative Walker. My name is Kurt Barwis and I am the president and CEO of Bristol Hospital and Health Care Group.

I appreciate the opportunity to submit testimony concerning **HB 6824, An Act Concerning The State Budget For The Biennium Ending June 13, 2017, And Making Appropriations Therefor And Other Provisions Related To Revenue.**

As president and CEO, I am trying to do the right thing. I just want to focus on delivering quality care.

I realize that this is not an easy time for our state leadership and that there are many difficult decisions to be made.

But this bill would reduce Medicaid reimbursement rates, expand the hospital tax, and add new regulatory burdens. It is focused on short-term budget fixes, when what we need is a long-term plan for hospital sustainability in Connecticut. For those reasons, Bristol Hospital opposes this bill.

Since 1921, our hospital has been the leading health care provider in Greater Bristol. We have earned national recognition for our commitment to providing outstanding patient care as well as our efforts in quality and patient safety. No one is turned away from our services and we are open 24 hours a day.

Last year, Bristol Hospital had more than 5,000 inpatient admissions and about 216,000 outpatient visits. We have more than 1,700 full- and part-time employees as well as 225 members of our medical staff.

Dollars earned by Bristol Hospital employees that are spent on such items as groceries, clothing and mortgage payments generate approximately \$77 million in economic activity. We also invested about \$237,000 to improving the health of the community and provided \$4.5 million in charity care.

You also know about Tenet Healthcare withdrawing its application to purchase Bristol Hospital. We are a mission-driven organization with a strategic plan that is supported by our community and Board of Directors. While Tenet would have accelerated our growth, our vision of excellence in health care for our patients and community will continue even without Tenet's involvement.

Throughout the two-plus years of negotiations with Tenet, Bristol Hospital never remained stagnant as we experienced significant growth in services that meet the needs of our community. These include programs in bariatrics, breast health, orthopedics and wound care.

Bristol Hospital will remain an independent— high quality, low-cost,—community hospital. And we will be here for generations to come. This success is due to our employees, and the compassion and professional care that they provide to our patients and families.

However, community hospitals like ours don't have the capital.

The health care industry is experiencing declining reimbursements, reduction in patient volume and a tightening of capital markets that have resulted in razor thin operating margins for Bristol Hospital.

In spite of cost savings realized year after year through innovative redesign and renegotiations, continued diligence in expense management will not be sufficient to maintain a positive operating margin. Should HB 6824 become law, pressure will continue to increase in the coming years as Bristol Hospital will be unable to make capital improvements to an aging physical plant.

We are a tax-exempt organization that pays \$3 million each year for the hospital provider tax. The Governor's proposed budget would expand the hospital tax to \$514.4 million each year, cut Medicaid rates, and eliminate the low-cost hospital pool for FY 2016 and 2017. It would not distribute enhanced revenue on hospital supplemental payments due for FY 2014 and 2015, and would eliminate payments in the future. It would also limit the use of tax credits for businesses and hospitals.

This budget—as proposed—would add even more financial pressure at a time when we need relief. You cannot underestimate how severe the consequences will be for those who provide health care as well as for those who receive health care. As I mentioned earlier, I know the state is facing a challenging budget, but we have been severely cut and taxed enough already.

Added to these very serious budget concerns are a number of challenging regulatory issues we face this session that will impede our ability to move care forward in line with the expectations set forth by federal health care reform.

Connecticut needs its hospitals to be there to protect them when they have an emergency. We need a sustainable health care environment in our state, not more cuts and taxes.

Please vote “No” on the hospital cuts and taxes contained in HB 6824.

Thank you for your consideration of our position.