



**Testimony of the Connecticut Children's Medical Center
to the Finance, Revenue and Bonding Committee regarding
*SB 945, An Act Concerning The Tax Exempt Status Of Certain Hospital Facilities***

April 6, 2015

Connecticut Children's Medical Center appreciates the opportunity to submit testimony concerning *SB 945, An Act Concerning The Tax Exempt Status Of Certain Hospital Facilities*. Connecticut Children's opposes this bill and urges legislators to keep the current tax exemption and Payment In Lieu of Taxes (PILOT) funding structure for hospitals in place.

Before commenting on the bill, it is important to point out the key resources that Connecticut Children's provides to children and families across our State. Connecticut Children's Medical Center is a nationally recognized, 187-bed not-for-profit children's hospital serving as the primary teaching hospital for the University of Connecticut School of Medicine Department of Pediatrics. Connecticut Children's Medical Center is consistently named among the best in the nation for several of its pediatric specialties in the annual *U.S. News & World Report* "Best Children's Hospitals" rankings.

A comprehensive array of pediatric services are available at our hospitals in Hartford and Waterbury, with neonatal intensive care units in Hartford (Level 4) and the University of Connecticut Health Center (Level 3), along with a state-of-the-art ambulatory surgery center, five specialty care centers and 10 practices across the state and in Massachusetts. Our Level 1 Pediatric Trauma Center and Primary Care Center are the busiest between Boston and New York. Connecticut Children's has 2,200 employees with a medical staff of nearly 1,100, practicing in more than 30 subspecialties.

Hospitals have a tax exempt status due to the nature of their missions. They play a unique and critically important role in their communities. In 2013, Connecticut Children's Medical Center, a not-for-profit organization and the only hospital in the state dedicated exclusively to children, spent \$28 million on community benefit initiatives, and spent \$50 million more caring for children who rely on Medicaid than we received in payments from the State.

Senate Bill 945 would remove the property tax exemption for properties that are not part of a not-for-profit hospital's main campus. If passed into law, Connecticut would be the only state in the nation to levy property tax on not-for-profit hospitals in such a manner. Connecticut hospitals

epitomize the reason that the property tax exemption was created. They play a unique and critically important role in their communities. They are worthy of continued exemption from paying property tax. Connecticut Children's understand that municipalities are under financial strain, but hospitals are struggling as well. Please keep the current hospital tax exemption and PILOT funding structure in place.

Thank you for your consideration of our position. If you have questions about this testimony, please contact Jane Baird, Connecticut Children's Director of Government Relations, at 860-837-5557.