

**TESTIMONY OF
SAINT FRANCIS HOSPITAL & MEDICAL CENTER
SUBMITTED TO THE
FINANCE, REVENUE AND BONDING COMMITTEE BY
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OFFICER
MONDAY, APRIL 6, 2015**

SB 945, An Act Concerning The Tax Exempt Status Of Certain Hospital Facilities

Saint Francis Hospital & Medical Center appreciates this opportunity to submit testimony concerning **SB 945, An Act Concerning the Tax Exempt Status Of Certain Hospital Facilities**. Saint Francis opposes this bill and urges the General Assembly to keep the current tax exemption and Payment In Lieu Of Taxes (PILOT) funding structure for hospitals in place.

Very simply, SB 945 would remove the property tax exemption for properties that are not part of a not-for-profit hospital's campus that is operated in the same location as an emergency department or federally qualified health center. 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.

Saint Francis Hospital and Medical Center is a cornerstone of its community, caring for everyone who comes through its doors 24 hours a day regardless of ability to pay. Saint Francis has been a vital part of the Greater Hartford Community's health care safety net for 118 years, providing over \$78 million in community benefit to 147,675 individuals in FY2014 alone.

Saint Francis admitted more than 35,000 inpatients and observation patients, saw over 81,000 individuals in its Emergency Department and treated 65,000+ in its clinics in FY2014. Saint Francis currently employs 3,800 full-time workers, including 197 physicians. Beyond the lifesaving care the hospital provides 24 hours a day, Saint Francis contributes \$1.3 billion of economic benefit to its local and state economies each year and invested over \$78 million in improving the health of our community in 2014 alone.

Saint Francis Hospital and Medical Center also pays taxes. In 2014 alone Saint Francis paid more than \$1.6 million in property taxes on buildings it owns or leases in Hartford, Bloomfield, Simsbury, Avon, East Hartford, Glastonbury, Ellington, Enfield, Manchester, South Windsor & West Hartford. Furthermore, since 2012 Saint Francis' reimbursement associated with the state Hospital Tax was reduced by \$64.3 million.

In addition, since 2012 Saint Francis Hospital and Medical Center has been asked to continue its service to its patients, families, physicians and staff despite unrelenting reductions in the reimbursement it receives from its two largest sources of reimbursement – Medicare and Medicaid. These reductions, including the reduction associated with the state Hospital Tax, have been severe, totaling in aggregate over \$82.4 million through FY15.

Hospitals have made difficult choices to account for the resources lost due to government underfunding of the Medicaid program, the state Hospital Tax, and other cuts. Over the last few years, many jobs were eliminated, services were reduced, and investments in technology and infrastructure were put on hold. Hospitals can endure no more.

SB 945 would place yet another fiscal burden on hospitals. The financial burden of paying property taxes to local governments, coupled with the adverse impacts of both the Medicaid funding cuts and the hospital tax, threaten the ability of hospitals to maintain community benefits at their current levels, and would affect access and services for all patients.

Connecticut's non-profit hospitals epitomize the reason that the property tax exemption was created. They serve the public good by enhancing the health and general welfare of the state's residents. Exemption from local property taxes provides necessary important financial support that allows hospitals to pursue their basic mission of caring. Because of the unique and critically important role hospitals play in each local community, these institutions are worthy of continued exemption from paying property taxes.

Each hospital community needs its institution to be there to protect them when they have an emergency. All of Connecticut's citizens need a sustainable healthcare environment in their communities, not more cuts and taxes.

The solution to the revenue problems of the state and local municipalities simply can't be to shift the burden of these revenue shortfalls to its already fiscally strapped community hospital system.

Connecticut hospitals cannot endure another tax. We urge you to keep the current tax exemption and PILOT funding structure in place.

Thank you for your consideration of our position.