

**TESTIMONY OF
LAWRENCE + MEMORIAL HOSPITAL
SUBMITTED TO THE
FINANCE, REVENUE AND BONDING COMMITTEE
MONDAY, MARCH 9, 2015**

SB 946, An Act Concerning Revenue Items To Implement The Governor's Budget

Good afternoon. I am Bill Stanley, Vice President for Development & Community Relations at Lawrence + Memorial Hospital. Thank you for the opportunity to testify today on SB 946, An Act Concerning Revenue Items To Implement The Governor's Budget.

Gov. Malloy's proposed budget imposes millions of dollars in funding cuts and tax increases on Connecticut's community hospitals. These would follow earlier cuts and a new gross receipts tax that already have cost Connecticut hospitals hundreds of millions of dollars collectively.

This budget wrongly focuses on short-term fixes when what Connecticut really needs is a long-term plan for hospital sustainability.

L+M Hospital serves more than a quarter-million year-round residents and tens of thousands more when seasonal residents and tourists flock to southeastern Connecticut. Our two emergency rooms – one at Pequot Medical Center in Groton; the other on our main campus in New London – handle almost 90,000 cases annually, making ours one of the busiest emergency departments in the state.

As a result of new taxes and funding cuts, L+M had already embarked on a Clinical Sustainability Initiative, asking our employees to strive to do more with less without compromising our top priority – competent, compassionate and accessible care. Enacting policies that will require them to do still more with so much less shows a disregard for them and their patients.

Gov. Malloy's budget will cost the state many healthcare jobs. His last round of funding cuts cost L+M Hospital alone 75 jobs and cost some other hospitals around the state hundreds more – this at a time when we are trying to grow Connecticut's economy with a declaration that "Connecticut Is Open For Business." If we continue down this path, some hospitals may be missing from the "Open For Business" calculation in the future.

In L+M's case, recent state fiscal policies have taken a hospital with many consecutive years of positive bottom lines and put us in the red in the past two fiscal years. That makes it more difficult to purchase new equipment, recruit physicians, expand community access, and sustain existing programs and services.

L+M employs about 2,500 workers, filling about 1,900 full-time equivalent positions. Both of those numbers will continue to shrink through attrition and, possibly, layoffs if this budget is enacted. These are employees who support their families and support our local economy. They also provide quality healthcare to tens of thousands of patients each year.

Beyond more tax increases and funding cuts, Gov. Malloy now also proposes to have community hospitals pay property taxes to our host communities. Where he thinks this additional money will come from is a mystery to us.

Connecticut's hospitals have done – and will continue to do – our fair share. In fact, I would argue, that we have shouldered in recent years more than our share of the state's fiscal burden. Please consider the consequences to quality healthcare if you enact this poorly thought-out budget. Instead, please replace the quick-fixes in this budget with thoughtful and reliable long-term solutions.

Thank you.