

**TESTIMONY OF
SAINT FRANCIS HOSPITAL & MEDICAL CENTER
SUBMITTED TO THE
PLANNING AND DEVELOPMENT COMMITTEE
Wednesday, March 11, 2015**

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

Saint Francis Hospital and Medical Center appreciates this opportunity to submit testimony concerning **HB 6965, An Act Concerning the Preservation of Municipal Tax Bases**. 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 in place.

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 has become a vital part of the economic vitality of Connecticut, employing over 3,800 full-time workers, including 197 physicians with a total annual payroll of \$325 million. All of these workers, both union and non-union receive more than the \$10.10/hour minimum wage recently passed by the Connecticut General Assembly. In addition to jobs, Saint Francis is a major purchaser of goods and services, spending over \$306 million each year. These funds flow through many of the businesses in the local community and generate further economic activity. In total, Saint Francis Hospital and Medical Center has a direct annual economic impact of over \$1.3 billion to Connecticut.

Saint Francis has always been committed to improving the patient experience and ensuring that every person receives safe, excellent care. In fact, we believe a high quality healthcare system is as critical to the well-being and prosperity of a community as clean air, pure water and excellent educational opportunities. Therefore, Saint Francis Hospital and Medical Center constantly seeks to measure its patient quality against national bench marks for excellence in patient care. Among the most noteworthy of its national quality recognition includes:

- "A" rating in Hospital Safety in 2014 from the Leapfrog Group – the 6th consecutive A ranking by this prestigious group;
- Women's Choice Award – Best Hospital for Patient Safety;
- U.S. News and World Report recognition for "High Performing" Hospital in 9 specialties;
- Hospitals and Health Networks Magazine – Most wired in 2014. The 5th consecutive year for receipt of this vital award from this important group and
- The Joint Commission's Gold Seal of Approval in 2014 for quality and safety which is the highest safety award provided by The Joint Commission.

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.

HB 6965 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 state Hospital Tax and state funding cuts, threaten the ability of hospitals to maintain community benefits at their current levels, and 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 and 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.