



Connecticut Department of Public Health

Testimony Presented Before the Public Health Committee

March 11, 2015

**Commissioner Jewel Mullen, MD, MPH, MPA
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Senate Bill 954 - An Act Concerning Transparency Of Executive Pay In Certain Hospital Transactions

The Department of Public Health (DPH) supports this Governor's bill and offers the following comments:

Section 1 of the bill adds an additional reporting element to the hospital conversion application. The new element requires reporting of anticipated changes in position or potential financial gain for hospital board members or upper management after completion of the ownership conversion. DPH supports the collection of this additional information, as it will increase transparency of individual gains potentially tied directly to the conversion process, such as severance payments, stock offerings or other financial gains. This information will be available to the public as the filings are public record.

While Section 1 will require the anticipated individual gains that will result from a hospital conversion, Section 2 adds an additional reporting element as part of the Office of Health Care Access annual hospital financial review process and will require the filing of this same information post-merger, on an actual or realized basis. Hospital financial reporting is required from all Connecticut hospitals, whether for-profit or non-profit, and is generally used by OHCA to release its Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals as well as other hospital financial information publications. While the information that will be filed with OHCA through this bill does not specifically relate to the analysis of the financial status of Connecticut's hospitals, it appears to be a means for the provision of the actual results of individual gain post-merger. This information, like the vast majority of the hospital financial filings, will be posted on OHCA's website making the information widely available to the public. For example, OHCA posts information filed on hospital and parent corporation audited financial statements, hospital IRS 990 filings, hospital top ten salary reports and all annual reporting and twelve-month actual reports. As OHCA believes the transparency of information and website posting of pertinent hospital financial information is important, DPH supports this section of the bill and will adjust the annual reporting process to accomplish the goal of Section 2.

Thank you for the opportunity to comment on this Bill.

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