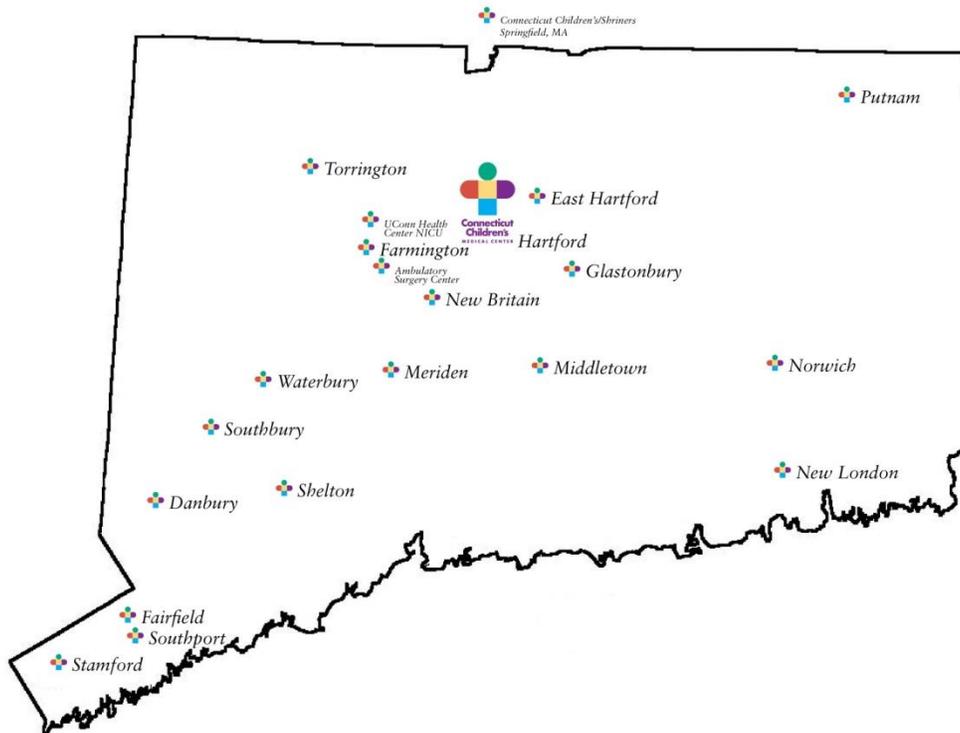




**Testimony of Connecticut Children's Medical Center
to the Finance, Revenue and Bonding Committee regarding
SB 464, An Act Establishing the Hartford Financial Sustainability Commission
March 28, 2016**

Senator Fonfara, Representative Berger, members of the Finance, Revenue and Bonding Committee, thank you for the opportunity to share my thoughts about *SB 464, An Act Establishing the Hartford Financial Sustainability Commission*. My name is James E. Shmerling and I am President and CEO at Connecticut Children's Medical Center. While I support efforts to address the financial challenges facing the City of Hartford, I am concerned about the impact that a potential levy on tax exempt organizations could have on the children and families we serve.

Connecticut Children's is a statewide resource providing inpatient care in Hartford, Farmington and Waterbury and six specialty care centers in Danbury, Fairfield, Farmington, Glastonbury, Shelton and Hartford as shown on the map below.



Community child health is highlighted as one of the six primary pillars of Connecticut Children's strategic plan. Some might suggest that focusing on keeping children healthy is illogical for a children's hospital with inpatient beds to fill. However, promoting each child's optimal healthy development is not only the right thing to do for children and families, its emphasis on cross-sector collaboration and efficiency makes strategic sense in the context of national health reform.

Connecticut Children's commitment to the community is also demonstrated by its participation in the Southside Institutions Neighborhood Alliance (SINA). A partnership between Connecticut Children's Medical Center, Hartford Hospital and Trinity College, SINA works cooperatively with community stakeholders to restore economic vitality and improve the quality of life for the benefit of the people who live, work, visit, study and play in the neighborhoods of South Central Hartford. The three member institutions have invested \$16 million in SINA over the last 20 years to support economic development in the south end. This investment has resulted in numerous benefits to the community.

Medicaid plays a distinctive role at Connecticut Children's. While the number of children served by Connecticut Children's has risen, the proportion of our costs that are covered by Medicaid payments has decreased. In 2008, the State paid 91¢ for every dollar we spent caring for children who rely on Medicaid. In 2016, that has dropped to 65¢. This has resulted in Connecticut Children's Medicaid shortfall increasing from \$7.6 million to \$65 million per year during the same time period.

The financial burden of a potential levy on tax exempt organizations, coupled with unsustainable losses from Medicaid, could jeopardize Connecticut Children's role as a vital safety net provider, reduce our ability to generate specific benefits for the State through our integrated model of pediatric care, and compromise our ability to restore economic vitality and improve the quality of life in Hartford's South End through SINA. Connecticut Children's exemplifies the reason that the property tax exemption was created. We play a unique and vital role in pursuit of our vision to make the children in Connecticut the healthiest in the nation.

The City of Hartford faces significant financial challenges and we are committed to its success. We would welcome the opportunity to be part of the conversation that will enable a brighter and sustainable future for the City.

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