

**TESTIMONY OF
TRINITY HEALTH-NEW ENGLAND
SUBMITTED TO THE
FINANCE, REVENUE & BONDING COMMITTEE
ROBERT C. HARTLEY, SENIOR VICE PRESIDENT, PLANNING, BUSINESS
DEVELOPMENT AND GOVERNMENT RELATIONS
Monday, March 28, 2016**

SB 464 – An Act Establishing the Hartford Financial Sustainability Commission

I am Robert C. Hartley, Senior Vice President, Planning, Business Development and Government Relations for Saint Francis Hospital and Medical Center. On behalf of Trinity Health – New England, Inc. we object to Section 7 of this bill and recommend its deletion.

As currently written, Section 7 would allow the City of Hartford, through the Hartford Financial Sustainability Commission to levy an unspecified fee on Saint Francis Hospital and Medical Center based on non-specified percentage of city taxes on its property. There is no appeal or other remedy offered in the bill for the hospital should it disagree with the amount levied by the Commission. Moreover, the parties assigning the levy are primarily City employees who receive approval from the City of Hartford Court of Common Council. This makes this levy process decidedly one sided.

In FY 2015 alone, Saint Francis Hospital and Medical Center served more than 32,000 inpatients, treated more than 62,000 people in its Emergency Department and saw 290,000 outpatients. The hospital employs 3,800 people (over 650 of whom are City of Hartford residents). Beyond the lifesaving care Saint Francis provides 24 hours a day, the institution generated \$1.4 billion in local and state economic activity and was

the source of \$78 million in community benefit made available through a wide variety of programs aimed at improving the health of its community.

Within the City of Hartford, in FY2015 Saint Francis Hospital and Medical Center cared for 7,046 inpatients, treated 33,156 emergency room patients and provided 69,373 outpatient visits to its residents. Saint Francis lost \$37,189,523 providing this care to a predominantly Medicaid population.

Equally important, Saint Francis Hospital and Medical Center pays taxes to both the State of Connecticut and the City of Hartford. In fact, Saint Francis paid over \$27 million in state taxes in SFY 2015 through the Hospital Tax and that number is expected to rise to nearly \$40 million in SFY 2016, all the while the number of Medicaid patients and the losses treating those patients continues to rise. Saint Francis also paid \$1.5 million in property tax to the City of Hartford for non-health related businesses in 2015.

Now Saint Francis Hospital and Medical Center faces a financial crisis. In addition to nearly \$40 million in expected Hospital Tax payments to the state in SFY 2016, on March 2, 2016 Saint Francis was notified that the Department of Social Services would delay and likely not pay nearly \$14 million in Medicaid reimbursement owed to the institution by the State of Connecticut. The state Administration has also proposed reducing Medicaid payments to Saint Francis by a further \$10.25 million in SFY 2017, beginning July 1, 2016.

Clearly adding another City levy to Saint Francis when it is already facing such dramatic financial burdens due to state taxes and Medicaid funding cuts is both short sighted and inconsistent with the recommendations of the Connecticut General Assembly's own State Tax Panel. Worse, it is just bad public policy as it will devastate a major city service provider and job creator.

Saint Francis Hospital and Medical Center recognizes the many needs faced by the City of Hartford and is already a significant contributor of services designed to mitigate those needs. Saint Francis Hospital and Medical Center, however, cannot become the alternative funding source for State and Federal budget reductions, union contract agreements, or other fiscal shortfalls currently being faced by the City of Hartford.