

**TESTIMONY OF**  
**Saint Francis Hospital and Medical Center**  
**SUBMITTED TO THE**  
**APPROPRIATIONS COMMITTEE BY**  
**DAVID BITTNER, SR. VICE PRESIDENT & CHIEF FINANCIAL OFFICER, TRINITY**  
**HEALTH-NEW ENGLAND**  
**Thursday, February 11, 2016**

**HB 5044, An Act Making Adjustments To State Expenditures For The Fiscal Year**  
**Ending June 30, 2017**

My name is David M. Bittner. I appreciate the opportunity to submit testimony concerning **HB 5044, An Act Making Adjustments To State Expenditures For The Fiscal Year Ending June 30, 2017**, a bill that cuts more than \$90 million from core healthcare services – hospitals and vital mental health programs.

These cuts provide a short-term budget fix, when what the state needs is a long-term plan for economic sustainability in Connecticut.

In FY 2015 Saint Francis Hospital and Medical Center (the largest institution in Trinity Health-New England) served more than 32,000 inpatients, provided more than 62,000 people in its emergency room and saw 290,000 outpatients. Saint Francis employs 3,800 people, including 200 medical staff. Beyond the lifesaving care we provide 24 hours a day, we generate \$1.4 billion to our local and state economies each year and invest \$78 million in community benefit in a wide variety of programs aimed at improving the health of our community.

But achieving our mission is made much harder when the institution is faced with continued assault on its financial resources represented by the state Hospital Tax and continued reductions in its payments from the Medicaid program. The state Hospital Tax has been siphoning the income of hospitals as the state taxes the hospital's net patient service revenue, without regard to the costs to generate that revenue. During fiscal year 2015, Saint Francis reported income from operations of \$7.5 million, despite generating \$709 million in revenues. During this same period, the net amount the Hospital paid in taxes to the state was over \$25.5 million, which represents an imputed tax rate of over 77%. During our current fiscal year, the imputed tax rate is anticipated to be over 100%. In fact, if the Governor's current budget proposal is implemented; Saint Francis will face a net Hospital Tax of \$29 million while the number of Medicaid patients the organization treats continues to climb.

This Medicaid reduction represents resources Saint Francis could have used to hire nurses, physicians and other allied health professionals. It is also dollars that the hospital now can't use to buy equipment, replace and renovate aging buildings or invest in new innovations and technology in healthcare delivery.

Saint Francis knows that the state is facing a challenging budget, but the institution has already been cut and taxed so significantly that it is hurting patient care, access, jobs, and the local

economy. Please consider the following as an alternative solution that helps hospitals as well as the state:

The Connecticut Center for Economic Analysis at the University of Connecticut released an economic analysis showing that by returning to hospitals the taxes they pay to the state, the state can generate 6,600 jobs, and bring in close to \$35 million every year starting in the first year. This solution would enable the state to grow jobs and revenue quickly, and maintain it – as well as strengthen our healthcare system – for years to come. Investing in hospitals is a win for our state’s economy, patients, communities, and healthcare system.

Our community members need Saint Francis Hospital and Medical Center to be there to protect them when they have an emergency. Connecticut needs a sustainable healthcare environment, not more cuts and taxes. Vote “No” on the hospital and healthcare cuts contained in HB 5044. Thank you for your consideration of our position.