

Testimony of Cathy Bartell
Administrator, Connecticut Surgery Center
Hearing Before the Finance, Revenue and Bonding Committee
March 9, 2016

Good afternoon Chairman Fonfara and Chairman Berger and other distinguished members of the Committee. Thank you for allowing me to speak to you today. My name is Cathy Bartell and I currently serve as Administrator of Connecticut Surgery Center located in Hartford. I appreciate the opportunity to be here and share my concerns about the six percent gross receipts provider tax imposed upon Ambulatory Surgery Centers across the state since last October. Not only is this tax unprecedented on a national scale, it threatens the ability of Connecticut patients to receive safe, quality, and affordable same-day surgical care in convenient locations in their communities.

If any of you have had occasion to visit an ASC – either as a visitor or a patient – you already know a little about what we do. For those of you that have not, allow me to provide some background. ASCs are state-of the art facilities that perform many of the same procedures as hospital outpatient departments. These include orthopedic, spine and Ear/Nose/Throat surgeries; urology procedures; as well as pain treatments and colonoscopies. In 2013 alone, our facilities provided care to more than 154,000 patients as part of more than 200,000 skilled procedures. We are able to provide care with fewer delays than patients might experience in the hospital, and at a lesser cost. These, among other reasons, are why our national satisfaction rates are greater than 90 percent, and why patients generally prefer to visit ASCs for their care.

I mention *patient satisfaction*, which – as we know – is a huge buzz word in healthcare today. But we're not just patting ourselves on the back because satisfaction scores show the nurses are friendly and the waits are short. We *know* – and the *data supports* – that our facilities benefit not just patients, but taxpayers and the healthcare system as a whole.

For *identical* procedures, Medicare reimburses Ambulatory Surgery Centers at a rate that is *nearly half* of the amount paid to hospital outpatient departments. That amounts to significant savings. And patients pay less. On average, patient copays on surgical services performed in ASCs are 80% less than the same procedure performed in a hospital outpatient department. It's

good news for healthcare. But, more importantly, it's good news for patients who realize savings through lower deductibles, lower copayments and coinsurance.

I'm here today because – although centers like mine provide outstanding care at a fraction of the cost as hospitals – we have been hit with a *devastating* six percent provider tax. It amounts to a double tax on our centers since we already pay numerous state and federal taxes including, but not limited to, sales and use tax and local property taxes. It is harmful to business operations – and could force as many as a quarter of the state's ASCs to operate at a loss. But we are most alarmed with its impact on patients.

Businesses that operate at a loss won't remain viable businesses for very long. And when the doors close or reduce operating hours, patients will be forced to go elsewhere. The reality will be less convenient and more expensive care.

It's my sincere hope that this legislative body will look at the evidence brought before you today and vote to protect patients access to high-quality, low-cost care by advancing a bill to repeal the six percent provider tax on ambulatory surgery centers.

We've seen from our neighbors in Rhode Island that these kinds of taxes have very tangible and negative results. Rhode Island's *two percent* ASC tax was recently repealed.

Our efforts toward providing excellent patient outcomes and savings to the healthcare system will buckle under the weight of this unreasonable tax. I hope you will consider the needs of our patients – and even yourselves should you one day require same-day surgical care – in deciding to repeal the tax.

Thank you for the opportunity to testify before the Committee today.

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