



**Testimony on House Bill 5493**  
**An Act Phasing Out the Ambulatory Surgical Center Tax**  
**Finance, Revenue and Bonding Committee**  
**March 9, 2016**

Senator Fonfara, Representative Berger and members of the Finance, Revenue and Bonding Committee, on behalf of the physicians and physicians in training of the Connecticut State Medical Society (CSMS) and the Connecticut Chapter of the American College of Surgeons (CTACS), thank you for the opportunity to present this testimony to you today on **House Bill 5493 AN ACT PHASING OUT THE AMBULATORY SURGICAL CENTER TAX**. CSMS remains steadfastly opposed to any tax on Ambulatory Surgical Centers (ASCs), and we strongly believe that the 6% gross receipts tax that was established last year should be eliminated in totality.

As a country, and within Connecticut, we struggle with rising costs in healthcare. ASCs are safe, cost-effective alternatives for surgical procedures and medical treatments. Many patients in Connecticut go to ASCs for outpatient care, such as eye surgery, colonoscopies and wound repair.

Historically, community physicians have taken the lead in the development of ASCs and today a large number of ASCs are owned and operated by Connecticut's community physicians. Taxing the gross receipts of ASCs amounts to nothing more than a tax on community physicians and the patients they serve. If this tax is not eliminated in totality, the ability of ASCs to provide care at these facilities will be significantly impacted. Many will close and patients will have to seek care at other facilities, often at a greater expense to both the patient and to the healthcare system generally.

ASCs are themselves small businesses and they already pay the same taxes as any other small business, including income tax, sales tax and property tax. In addition, ASCs are already taxed on the implantables and devices that are used in the surgical procedures. The continued imposition of any tax on the gross receipts of ASCs is therefore fundamentally unfair and amounts to a double tax burden. Connecticut currently has 61 ASCs, and if the tax on gross receipts is not eliminated fully, a significant percentage of these ASCs will be forced to close their doors.

Ultimately, efforts to seek increased revenue from the gross tax on ASCs will be balanced by increased health care expenses as patients will be forced to receive care in more costly environments and face higher out-of-pocket costs for healthcare. Any tax on the ASCs seems against the public interest, as it threatens the existence of less costly, high-quality alternatives care sites for patients.

CSMS urges this Committee to act now to rescind the ASC tax in its entirety. We ask this Committee to act now before ASCs are forced to close their doors, impacting both patient access to care and raising costs to the entire health care community.