

OFFICE OF FISCAL ANALYSIS

Connecticut General Assembly

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FROM: Holly Williams

SUBJECT: FY 16 Connecticut Hospital Provider Tax & Supplemental Payments

You asked (1) how much Connecticut Hospitals pay to Connecticut for the Provider Tax in FY 16 and (2) how much hospitals are to receive in supplemental payments in FY 16. The information below is for state FY 16 and shows (1) the estimated provider tax being paid by hospitals, (2) supplemental payments to hospitals, (3) small hospital pool funding distribution, (4) combined payments to hospitals, and (4) the net impact to the individual hospitals.

The Provider Tax, also known as the hospital user fee, was first instituted in April 1994 and was subsequently eliminated in April 2000. The tax was most recently reinstated in 2011. The tax applies to all non-governmental hospitals with the exception of the children's hospital, psychiatric hospitals and specialty hospitals

Hospital Taxes and Payments for Connecticut Hospitals

Under the current tax structure, hospitals pay taxes of 6% on inpatient and outpatient revenue (6% is the federal maximum). Financially, distressed hospitals are exempt from the outpatient portion of the tax. This exemption applies to Windham and Milford. For state FY 16, Connecticut hospitals expect to (1) pay \$556,242,279 in provider taxes, (2) receive \$150,210,909 in regular supplemental payments, and (3) receive \$14,100,002 in small hospital pool supplemental payments. As previously stated, table 1 shows the distribution of provider taxes and payments and their net impact by hospital.

Table 1: Estimated FY 16 Hospital Provider Taxes and Supplemental Payments

Hospital	FY 16 Estimated Provider Tax to be Assessed on Hospitals \$	Supplemental Payments to Hospitals \$	Small Hospital Pool Distribution \$	FY 16 Estimated Combined Payments to Hospitals \$	FY 16 Net Impact to Hospitals \$
BACKUS	(16,498,739)	3,971,852	-	3,971,852	(12,526,886)
BRIDGEPORT	(25,801,946)	15,098,085	-	15,098,085	(10,703,861)
BRISTOL	(7,577,413)	2,276,805	2,917,675	5,194,480	(2,382,932)
CT CHILDRENS	-	-	-	-	-
DANBURY /NEW MILFORD	(35,075,330)	6,201,889	-	6,201,889	(28,873,441)
DAY KIMBALL	(6,236,120)	1,630,421	2,777,203	4,407,624	(1,828,496)
DEMPSEY	-	-	-	-	-
GREENWICH	(19,470,014)	850,626	-	850,626	(18,619,388)
GRIFFIN	(7,585,885)	1,404,745	3,315,317	4,720,063	(2,865,822)
HARTFORD	(56,389,526)	16,948,293	-	16,948,293	(39,441,233)
HOSP. CENTRAL CT	(21,662,085)	8,006,928	-	8,006,928	(13,655,157)
HUNGERFORD	(7,050,959)	1,710,151	2,051,467	3,761,618	(3,289,341)
JOHNSON	(3,458,624)	654,000	2,301,469	2,955,469	(503,155)
LAWRENCE & MEM	(18,206,811)	5,418,841	-	5,418,841	(12,787,970)
MANCHESTER	(10,372,141)	3,898,349	-	3,898,349	(6,473,792)
MIDDLESEX	(21,101,283)	3,228,841	-	3,228,841	(17,872,442)
MIDSTATE	(13,492,924)	4,690,702	-	4,690,702	(8,802,223)
MILFORD	(2,059,239)	396,174	736,870	1,133,044	(926,196)
NORWALK	(20,159,380)	5,260,188	-	5,260,188	(14,899,192)
ROCKVILLE	(4,203,327)	730,861	-	730,861	(3,472,466)
ST FRANCIS	(39,500,666)	16,948,293	-	16,948,293	(22,552,372)
ST MARYS	(12,698,985)	7,348,197	-	7,348,197	(5,350,788)
ST VINCENTS	(24,312,732)	11,531,832	-	11,531,832	(12,780,900)
SHARON	(3,158,481)	277,801	-	277,801	(2,880,680)
STAMFORD	(28,685,948)	6,445,404	-	6,445,404	(22,240,544)
WATERBURY	(12,424,863)	6,940,660	-	6,940,660	(5,484,203)
WINDHAM	2,174,287)	1,392,679	-	1,392,679	(781,608)
YALE / ST RAPHAEL	(136,884,572)	16,948,293	-	16,948,293	(119,936,279)
TOTAL	(556,242,279)	150,210,909	14,100,002	164,310,911	(391,931,367)

I hope that you find this information helpful. Please contact me if you have any questions or need further assistance.