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Testimony before the Appropriations Committee related to:

H.B. 7148 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENN IUM ENDING JUNE 30TH 2021 AND MAKING APPROPRIATIONS THEREFOR

March 5, 2019

Good evening Co-Chairs Senator Osten and Representative Walker; Ranking Members Senator Formica and Representative Lavielle and members of the Appropriations Committee, my name is Kimberly Lumia and thank you for the opportunity to testify before you on H.B. 7148 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENN IUM ENDING JUNE 30TH 2021 AND MAKING APPROPRIATIONS THEREFOR, the Governor's Budget bill.

I am the Chief Regional Performance Officer for Prospect Medical Holdings which owns and operates three hospitals in Connecticut: Waterbury Hospital, Manchester Memorial Hospital and Rockville General Hospital. These three hospitals are critical financial engines to the State's economy, as they collectively:

- Employ 5,111 people
- Provide $45,749,468 in Community Benefit
- Pay $40,487,00 in Hospital Provider Taxes to the State of Connecticut
- Pay $3,163,000 in State Sales Tax
- Pay $6,302,342 in Property Taxes

As you can see, our three hospitals are significant tax payers and provide substantial community benefit to the State and the communities in which we provide care, in addition to employing a large number of highly qualified people whom not only deliver world-class care, but also contribute to their communities in so many ways. Our core mission is just that, to provide patients with world class care in a comfortable and friendly environment in the communities they live in. We are a system of three community hospitals. As a for-profit/tax paying operator the Hospital Provider Tax is just one of the substantial taxes Prospect Medical Holdings pays to the State and our towns. The State of CT continues to make changes to the payment structure for CT Hospitals which is disruptive to the leadership & management of
those healthcare facilities. Hospital leadership is spending an inordinate amount of time on cost/program reduction measures to stay afloat; seems to be a constant theme of deciding which jobs to eliminate which then has a detrimental impact on the healthcare organization and the surrounding economy, a vicious cycle. The Governor’s Budget with the combination of additional cuts, which we are speaking in strong opposition to here today, and the corresponding tax increases, which we will be testifying on in front of your colleagues on the Finance, Revenue and Bonding Committee, will SIGNIFICANTLY NEGATIVELY impact our ability to provide access and care to our patients. We ask that the Appropriations Committee REJECT all attempts by the Lamont Administration to deviate from the bipartisan 2017 hospital agreement that the legislature adopted just last year. Do not impose additional cuts to healthcare that impact the most vulnerable populations of our state. Prospect Medical Holdings would welcome the opportunity to work collectively with this committee, the legislature, and the Lamont Administration on mechanisms to improve healthcare quality, reduce costs and enhance patient care while not decimating the vitality of this State’s outstanding health care system.

Thank you for your consideration and the legislature’s history of fighting for Connecticut’s hospitals.