

**TESTIMONY
FINANCE COMMITTEE
Monday, April 29, 2019**

**SB 1137, AN ACT CONCERNING DEPOSITS IN LIEU OF TAXES and SB 1138, AN
ACT CONCERNING COMMUNITY RESTORATION FUNDS**

My name is Pat McCabe and I am testifying on behalf of Yale New Haven Health. I appreciate this opportunity to testify on SB 1137 and SB 1138.

Yale New Haven Health System (YNHHS) is Connecticut's largest private employer with nearly 26,000 employees and more than 7000 medical staff. Through Bridgeport, Greenwich, Lawrence & Memorial, Yale New Haven and Westerly Hospitals, and their affiliated organizations, including the North East Medical Group, we provide quality care to patients throughout Connecticut, regardless of their ability to pay. We care for our State's most vulnerable population by providing medical and psychiatric services to your constituents who come to us from every corner of Connecticut. Through our Y-ACCESS program, Yale New Haven Hospital receives hundreds of transfers from every hospital in the state each month.

The bills before you seek to require not for profit hospitals like ours, to pay an annual fee to the state treasurer equal to 25% of the amount each hospital would have paid to the city or town if it were subjected to the property tax. As proposed, these payments would fund community restoration and revitalization activities.

Connecticut's hospitals pay nearly one billion dollars in taxes each year to the State. The Yale New Haven Health System hospitals paid over \$300 million last year. We also paid more than 10 million dollars to municipalities through real estate and personal property taxes between July 2018 and January 2019. Imposing yet another fee on hospitals will further increase the cost of care.

We are working diligently to reduce our costs to make health care more affordable for Connecticut citizens who bear a larger financial responsibility through insurance products with large deductibles and copays. These proposals will increase the cost of care at the same time policymakers and hospital administrators are working to reduce the cost of care.

As I've mentioned to you in previous testimony, at Yale New Haven Health, our team provides care to more than one third of the residents who are insured by Medicaid, by far the largest provider in the State. At Yale New Haven Children's Hospital, more than half of the children we care for are insured by Medicaid, a program that reimburses us 42 cents on a dollar of cost. This under reimbursement, in part, is made up by those who are commercially insured, and increases the cost of health care. We do not need additional cost drivers that add nothing to access or quality of care.

On behalf of our patients and staff, I ask that you oppose SB 1137 and 1138.