
Date: April 29, 2019
To: Finance, Revenue and Bonding Committee
From: Lynn Ricci, FACHE, President and Chief Executive Officer
Re: SB 1137 An Act Concerning Deposits in Lieu of Taxes
SB 1138 An Act Concerning Community Restoration Funds

Good day Senator Fonfara, Representative Rojas and to all of the honorable members of the Finance, Revenue and Bonding Committee. My name is Lynn Ricci and I am the president and Chief Executive Officer of Hospital for Special Care. Thank you for providing this opportunity to share my opposition to SB 1137, An Act Concerning Deposits In Lieu Of Taxes and SB 1138, An Act Concerning Community Restoration Funds.

Hospital for Special Care (HSC) is the fourth largest, free-standing long-term acute care hospital in the U.S. and one of only two in the nation serving both adults and children. HSC is recognized for advanced care and rehabilitation in pulmonary care, acquired brain injury, medically-complex pediatrics, neuromuscular disorders including ALS research, spinal cord injury, comprehensive heart failure and comprehensive inpatient and outpatient treatment for children and adolescents with autism spectrum disorder. We maintain 228 licensed inpatient beds and provide approximately 50,000 outpatient visits each year. **More than 75 percent of the patients we serve on an inpatient basis are eligible for Medicaid due to the complex and often catastrophic nature of their medical challenges.**

As a not-for-profit specialty care hospital we provide the highest quality clinical care to patients with the most complex diagnoses, including ALS and Autism Spectrum Disorder as well as care to 100 patients on ventilators on any given day. Most of our patients qualify for Medicaid because they have exhausted their own and their family's resources. They come from nearly every city and town in Connecticut and many would have no place else to receive the highly specialized care they need if we were not here for them.

Senate bills 1137 and 1138 would each require HSC, a not-for-profit organization, to pay an annual fee to the state treasurer in an amount equal to 25 percent of the property taxes we would be subject to if we were not tax exempt to fund community restoration and revitalization activities. If passed, these bills would result in a payment in excess of \$800,000 annually for HSC and would have an immediate and direct harmful impact on patient care, access to services and employment in the same community these bills seek to support. Specifically, passage of these bills would:

- Reduce our ability to respond to urgent community needs through program expansion such as services for children and youth impacted by Autism Spectrum Disorder

- Have an exponentially harmful impact on our patients and families as nearly all of the providers and human service agencies they rely on could be forced to cut programs
- Result in workforce reductions and stall wage growth for our 1,200 employees – most of whom reside in Central Connecticut and Greater New Britain communities
- Eliminate resources for essential capital purchases such as ventilators, lifts and physical plant repairs and maintenance
- Require substantial reduction of community benefit activities such as patient support and resource groups

HSC would also be forced to consider elimination of key community services such as our therapeutic riding center Manes & Motions and our adaptive sports programs. These programs, largely supported by volunteers and philanthropic donations, would not be sustainable if we must redirect our fundraising efforts to offset the impact of proposed fees.

Senate bills 1137 and 1138 would effectively erode the tax exempt status entrusted to our organization for more than 75 years by the Internal Revenue Service and place the state's budget burden on the backs of our most vulnerable citizens. On behalf of our patients, volunteers, staff and community, I ask you to reject these proposals.