



WESTERN CONNECTICUT ORTHOPEDIC SURGICAL CENTER

**Testimony of Bruce R. Provencher, MSN, BHM, RN, CNOR
Administrator
Western Connecticut Orthopedic Surgical Center**

**Public Hearing of the State Tax Panel
September 16, 2015**

I am writing on behalf of the Western Connecticut Orthopedic Surgical Center, which is a physician-owned, independent ambulatory surgery center (ASC) in Danbury Connecticut. Currently the Western Connecticut Orthopedic Surgical Center employs 27 people and expects to serve up to 4,000 patients in the upcoming year.

I am writing in response to your recent public invitation to comment on businesses affected by the recently approved 6% provider tax on ASC gross receipts. We believe the 6% ASC provider tax will have unintended negative consequences for the State, as follows:

Job Losses: Of the 47 ASCs in Connecticut impacted by this tax, many operate at little to zero profit margins. They function as a cost effective place for physicians to see their Connecticut patients. These ASCs employ Connecticut residents in high paying positions, such as Nurses and Surgical Techs, that may become unemployed because of the provider tax. As a result of the provider tax these ASCs will certainly cut back and reduce staffing levels as a matter of survival. We estimate that in total, 300-400 jobs could be lost - out of the estimated 2,000 Connecticut residents that work at the Facilities. Since just one lost job negates a dozen tax increases, the impact to State revenue could be significant.

The impact to Western Connecticut Orthopedic Surgical Center will be impactful as well. We are still in the process of assessing the impact of the provider tax which has already caused us to plan on restructuring positions today, as well as scaling back on hiring nurses and technicians in the future.

Increase in Healthcare Costs to Consumers. ASCs perform cases at roughly 50-60% of the cost of hospitals. If any ASCs are put out of business it will result in a material increase in the cost of care to Connecticut patients through higher deductibles and co-pays.



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ASCs Currently Pay Their Fair Share. ASCs are private business that already pay multiple taxes (income, sales and use, property). As a result ASCs already pay their fair share of taxes into the system. Please consider that a 6% provider tax on gross receipts could represent between 30-100% of an ASC's income.

We are asking this be tax repealed for the benefit of Connecticut residents. We would welcome the opportunity to further discuss this important issue with you or your staff or to provide additional information.

Sincerely,

A handwritten signature in black ink that reads "Bruce R. Ravener". The signature is written in a cursive, flowing style.

Administrator
Western Connecticut Orthopedic Surgical Center