



A community partner of YaleNewHavenHealth

**TESTIMONY OF
PAUL BEAUDOIN
CFO AND INTERIM CEO
DAY KIMBALL HEALTHCARE
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Wednesday, February 19, 2020**

Good afternoon. Day Kimball Healthcare strongly supports **HB 5005, An Act Adjusting The State Budget For The Biennium Ending June 30, 2021** as it relates to the Hospital Agreement.

Day Kimball Healthcare is comprised of Day Kimball Hospital, Day Kimball Medical Group and Day Kimball Healthcare At Home. Our nonprofit community healthcare system is the major provider of comprehensive healthcare services in Northeast Connecticut, serving more than 70,000 of the region's approximately 100,000 residents.

The ability to provide comprehensive healthcare services depends largely on the financial health of our hospital. Our hospital provides life-saving access to care for approximately 23,000 emergency visits each year, in addition to high quality, efficient care for approximately 500 births, 3,000 surgical procedures and 4,000 inpatients. We provide this care to everyone in the communities we serve, regardless of ability to pay; and in our area, those covered by Medicare and Medicaid (which reimburses less than the actual cost of care) make up over 60% of the patient population.

Beyond the lifesaving care we provide 24 hours a day, we are also the region's largest employer, employing approximately 1,000 people (more than 80% of whom live in our service area), contributing more than \$265 million to our local and state economies, and investing in improving the health of our communities.

After months of negotiation, Governor Ned Lamont's Administration, the Attorney General, and Connecticut hospitals came to an agreement that ended more than four years of litigation. The agreement benefits the state, hospitals, and the patients they serve. We are grateful for the unanimous legislative support the Hospital Agreement received in both the House of Representatives and Senate in December, 2019.

The FY 21 budget of the Department of Social Services, included in HB 5005, reflects the Hospital Agreement which was reached and enacted in December. The Hospital Agreement represents a return of the hospital tax to its original purpose – a means to attract federal dollars to Connecticut without being a real net tax burden to hospitals.

The Hospital Agreement eliminates \$1.6 billion over the next seven years in real net tax burden to hospitals and attracts \$4 billion in federal dollars for the general fund, while eliminating a \$4 billion potential liability for the state.

We urge your support for HB 5005, and specifically for the provisions implementing the Hospital Agreement. Your support will help ensure our hospitals, and those they serve, stay healthy. Together, we will build a healthier Connecticut.

Thank you for your consideration of our position.