

Public Health Committee JOINT FAVORABLE REPORT

Bill No.: SB-476

AN ACT CONCERNING THE OFFICE OF HEALTH STRATEGY'S
RECOMMENDATIONS REGARDING VARIOUS REVISIONS TO COMMUNITY

Title: BENEFITS PROGRAMS ADMINISTERED BY HOSPITALS.

Vote Date: 3/30/2022

Vote Action: Joint Favorable Substitute

PH Date: 3/28/2022

File No.:

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SPONSORS OF BILL:

Public Health Committee

REASONS FOR BILL:

To set reasonable expectations that hospitals must play a role in addressing healthcare related issues in the communities in which they operate, this bill makes various changes including shifting oversight of this law from the Office of Healthcare Advocate (OHA) to the Office of Health Strategy (OHS) and requiring OHS to make data from the all-payer claims database available to hospitals. It also requires that hospitals periodically submit to OHS a status report on their community benefit programs, their community health needs assessments and related implementation strategies, which must include a description of how they received input from the community. Finally, it requires for-profit acute care hospitals to submit community benefit program reporting consistent with the bill's reporting schedules and where reasonable and applicable, such reporting would be similar to their filings to the IRS.

RESPONSE FROM ADMINISTRATION/AGENCY:

Victoria Veltri, Executive Director, Office of Health Strategy:

This bill proposes to update community benefit guidelines and reporting requirements to promote the Governor's commitment to addressing equity issues in healthcare and align with current practice by shifting responsibility for community benefit data collection and analysis from the OHA to OHS. The new reporting required by the bill will allow OHS to understand how community benefit services and activities are related to the dollars spent and have a more complete picture of how benefits are being attributed. This new reporting will allow OHS to understand how needs are changing, how implementation strategies are working in practice, and how OHS may further support hospitals in addressing the root causes of identified health needs.

Ted Doolittle, Healthcare Advocate, State of Connecticut:

While they support the bill, they suggest that some additional reforms are necessary. Hospitals should be prohibited from sending a delinquent bill to collections until at least 60 days after the hospital has referred the consumer to the OHA for assistance. Hospitals should be required to evaluate the consumer's account for charity before they are permitted to send a bill to debt collection. Also, hospitals should be required to explain how their community benefit spending addresses health equity needs of the community.

Senator Martin Looney, President Pro Tempore, CGA:

This legislation would encourage the use of hospital community benefit plans to address racial and ethnic health disparities and facilitate the integration of the community benefits plans with the needs of the community. While providing financial assistance is an important part of hospital community benefits programs, there are other types of assistance that they should provide. This includes addressing social determinants of health such that residents can avoid hospitalization. This bill will require that hospital community benefits programs address racial disparities and create consistent reporting requirements which would allow for a clearer picture of how Connecticut's hospitals serve their communities.

NATURE AND SOURCES OF SUPPORT:

Connecticut Hospital Association (CHA):

CHA endorses what this bill does to establish health equity as a central focus for hospitals' community benefit programs. They request certain changes to the language, for instance, since the bill involves nonprofit hospitals, they ask that a passage defining hospitals as for-profit entities be reworded. CT's hospitals stand ready to engage OHS, other state agencies, and the administration in substantive discussions regarding these enduring community health challenges and their solutions.

John Brady, Executive Vice President, AFT Connecticut:

Hospitals play a vital role in the overall health of residents. They are required to spend money on "community benefits" to maintain their nonprofit status. They are exempt from state and federal corporate taxes as well as local property taxes that otherwise would fund the needs of the local communities. This bill requires hospitals to explain how community benefits spending addresses health equity and needs identified by their communities AND to note which needs are not being addressed and why.

Rosana Ferraro, Policy & Program Officer, Universal Health Care Foundation CT:

Hospitals should be accountable to the community where they are located, especially considering their tax-exempt status. Spending on community benefits has declined over the past five years and spending on improving community health beyond the hospital setting has remained consistently low. This bill could increase community benefit spending by an additional \$100-160 million.

Dashni Sathasivam, MPH, Health Equity Solutions:

Connecticut is the only northeastern state that has yet to institute additional state community benefit requirements. Community benefit laws are important to advancing health equity because they strengthen the role of the community in hospitals' community-based programming efforts to mitigate hospital-driven medical debt that disproportionately affects people of color. In CT, hospitals spend more on internal financial contributions and less on community-based activities than the national average.

Connecticut Women's Education and Legal Fund:

This bill will promote reporting on several areas of health disparities. This reporting would include outcomes, provisions that will standardize reporting for community health needs assessments, implementation plans, and community benefit programs. Hospitals will be required to explain how community benefit spending addresses health equity and needs identified by their communities.

Arvind Shaw, Chief Executive Officer, Generations Family Health Center:

Public Health access is a critical component of the safety net and the tax exemption needs to equal the community benefit that is received. Jobs are being outsourced to the larger population centers negatively affecting the outcomes of patients who are impacted by transportation barriers and these decisions are made without the necessary community input. Every recent needs assessment shows transportation issues create a gap in care for patients. These disparities do not resolve themselves unless there are meaningful resources dedicated to address this need.

Additional Testimony in Support

- Suzi Craig, Chief Strategy Officer, Mental Health Connecticut
- Ellen Andrews, PhD, Connecticut Health Policy Project
- T.J. Clarke, Majority Leader, Hartford Court of Common Council
- Nancy Heaton, CEO, Foundation for Community Health
- Tom Swan, Executive Director, Connecticut Citizen Action Group
- Stephen Smith, M.D.
- Karen D'Angelo, MSW
- Rise Siegel, Orange

NATURE AND SOURCES OF OPPOSITION:

No sources of opposition were provided for this bill.

Reported by: Dallas Emerle

Date: 4/7/2022