

The Connecticut General Assembly

House Democrats



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BILL EXEMPTING DAY KIMBALL FROM HOSPITAL TAX MOVES FORWARD

Finance Committee votes to push forward SB 49

Representative Christine Rosati Randall (D-Killingly), Senator Mae Flexer (D-Killingly) and Representative Danny Rovero (D-Killingly) and today welcomed the news that the General Assembly's Finance, Revenue and Bonding Committee has endorsed a bill authored by the delegation that would exempt Day Kimball Hospital in Putnam from the state's hospital tax.

The finance committee acted Thursday, voting to move forward Senate Bill 49 to the floor of the Senate for further action. An early copy of the bill showed that it would save Day Kimball and another hospital \$3.9 million.

If adopted, the bill would exempt Day Kimball from the out-patient state tax on hospitals, instituted in 2012 to take advantage of a federal law that allows states to get payments from the federal government if they collect a tax from a hospital or other health care provider, then redistribute the money to those groups.

"This is a positive step in our fight to protect our small, independent hospitals like Day Kimball. Our local health care system is vital to our community," **said Rep. Randall**. This legislation would address the uncertainty we have dealt with this past year. I am grateful to Senator Flexer, Representative Rovero and the members of the Finance, Revenue and Bonding Committee and Appropriations Committee for their work in moving these measures forward."

"The action taken by the finance committee today is incredibly encouraging, because it reinforces the appetite for change in our legislature on the way hospitals are currently funded," **said Sen. Flexer**. "The finance committee's endorsement of SB 49 today is tremendous news as we continue to push for changes that will protect our local hospital."

On Wednesday, the budget-writing Appropriations Committee voted to approve an amended fiscal year 2017 spending plan that would protect tens of millions of dollars in state hospital aid from large, damaging cuts by the governor.

In that budget, Medicaid funding is broken down into multiple line items which lessens the blow to community hospitals if and when the governor makes rescissions.

“After this past year, and as the Chair of the Human Services Subcommittee on Appropriations, it became clear that we need a new way of structuring this money so that hospital funding isn’t hit with the repeated and far-reaching blows that were dealt in the current year,” **said Sen. Flexer**. “We are optimistic that this proposal will receive support on the floor of the Senate and House, but ultimately will have to wait to see whether the governor is willing to sign a bill that limits his reach into that attractive pool of funding in uncertain financial times.”

Rep. Rovero welcomed the news of the finance committee’s endorsement of SB 49 and applauded the change to Medicaid spending passed by the Appropriations Committee.

“I am happy that we are finally recognizing the difference between small hospitals like Day Kimball and much larger health care providers. I expect this exemption will be a benefit to Day Kimball Hospital’s budgetary process, going forward,” **said Rep. Rovero**. “And changing the way hospital funding is listed in the budget is going to be a game changer. If this passes, Day Kimball won’t have to worry about whether their funding will be in place, because it will be secure. I give Sen. Flexer a lot of credit for making that happen.”

SB 49 will next be taken up by the Senate. The Appropriations Committee’s budget proposal will be subject to negotiations with the governor’s office in the coming weeks.