



A community partner of YaleNewHavenHealth

**TESTIMONY OF
PAUL BEAUDOIN
CFO AND INTERIM CEO
DAY KIMBALL HEALTHCARE
SUBMITTED TO THE
APPROPRIATIONS, FINANCE, HUMAN SERVICES, AND PUBLIC HEALTH COMMITTEES
Friday, December 13, 2019**

Good afternoon. Day Kimball Healthcare strongly supports **The Hospital Settlement Agreement** and its implementation language in **An Act Concerning Implementation of the Approved Settlement Agreement in the Connecticut Hospital Association et al. V. Connecticut Department of Social Services et al. and Making Appropriations Therefor**

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. 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.

Furthermore, Day Kimball Healthcare is an economic cornerstone, fostering growth throughout the community and across the state. 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 \$258 million to our local and state economies, and investing in improving the health of our communities.

For Day Kimball Healthcare, serving the rural and economically disadvantaged northeast corner of our state, this historic settlement agreement provides over \$3 million in one-time payments related to prior year underpayments, and addresses the uncertainty related to the amounts of the supplemental payments and revenue tax through Fiscal Year 2026. The settlement also provides annual increases in Medicaid payment rates of roughly 2% each January 1st through the life of the agreement, a \$2 million value to Day Kimball Healthcare.

After months of negotiating, the Lamont Administration, the Attorney General, and Connecticut hospitals have come to an agreement that will end more than four years of litigation. The agreement benefits the state, hospitals, and the patients they serve.

Day Kimball Healthcare urges legislators to pass both the settlement resolution and the accompanying legislation.

The settlement 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 settlement 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.

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.