



**TESTIMONY
OF
STEPHEN A. FRAYNE, VICE PRESIDENT OF FINANCE
AND INSURANCE SERVICES OF THE
CONNECTICUT HOSPITAL ASSOCIATION
BEFORE THE FINANCE, REVENUE AND BONDING COMMITTEE**

ON TUESDAY, FEBRUARY 19, 2002

**IN SUPPORT OF
SB 33, AN ACT CONCERNING CERTAIN TAXES RELATED TO HEALTH CARE.**

Good afternoon Co-Chairs Senator Martin Looney, Representative Anne McDonald, and Members of the Finance, Revenue and Bonding Committee. My name is Stephen A. Frayne. I am the Vice President of Finance and Insurance Services of the Connecticut Hospital Association (CHA). I am here to testify in support of **Senate Bill 33, An Act Concerning Certain Taxes Related To Health Care.**

Senate Bill 33 amends the Department of Revenue Statutes and makes it clear that the Sales Tax relief granted to hospitals last year was for two full fiscal years, i.e., the last Sales Tax payment was to be on July 31, 2001. Unfortunately, the legislation passed during last session was not clear and could have been read as requiring Sales Tax payments through September 30, 2001 – costing hospitals an additional \$18 million dollars. CHA urges the committee to support SB 33. In addition, CHA also wishes to thank the Administration, Secretary Ryan, and Commissioner Gavin for their willingness to take immediate steps to mitigate the cash impact to hospitals and champion remedial legislation to fix the issue.

In summary, CHA supports SB 33 and the Administration's effort to fulfill the intent of the 2002 suspension of the Sales Tax on patient care services. In addition, CHA hopes that the Committee, when it has the opportunity to do so, will support CHA's effort to permanently repeal the Sales Tax on patient care services.