

2026 CONNECTICUT HOSPITALS TODAY



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NUMBERS**
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**ECONOMIC
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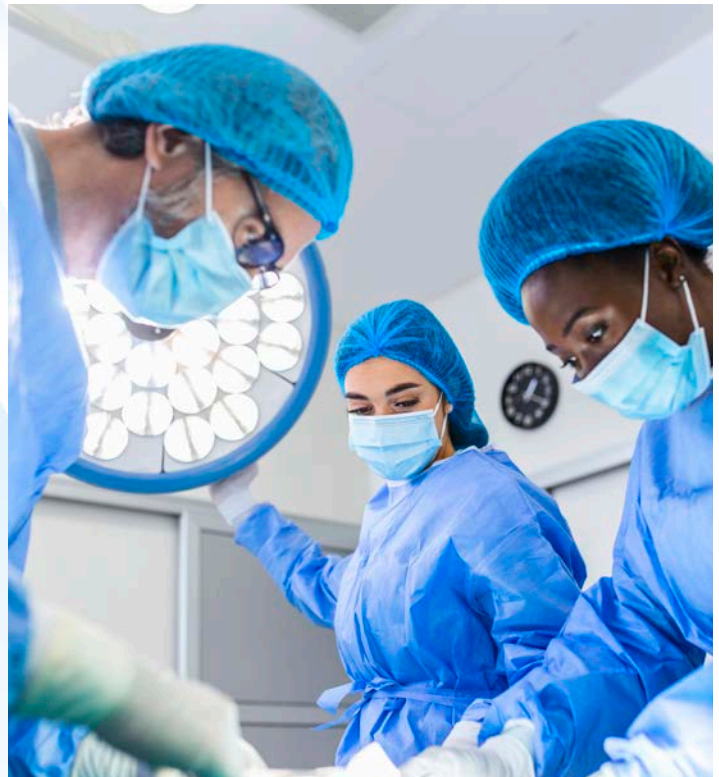
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CARING FOR CONNECTICUT

Connecticut hospitals are there when we need them, providing world-class, around-the-clock care for everyone who walks through their doors, regardless of their ability to pay.

The value of hospitals extends far beyond the essential medical and surgical care provided within their walls. Hospitals and health systems are dynamic, complex organizations that are building a healthier Connecticut by strengthening the state's healthcare delivery system, investing in communities, and driving economic growth.

Hospitals enhance quality of life across the state, delivering safe, coordinated, cost-effective, and person-centered care through integrated networks of caregivers. They collaborate with community partners to connect individuals and families with vital resources and services, where and when they need them. As leaders in disaster preparedness, management, and recovery, hospitals are always ready to respond to emergencies.



Connecticut hospitals recognize that community well-being and economic prosperity are inseparable from health.

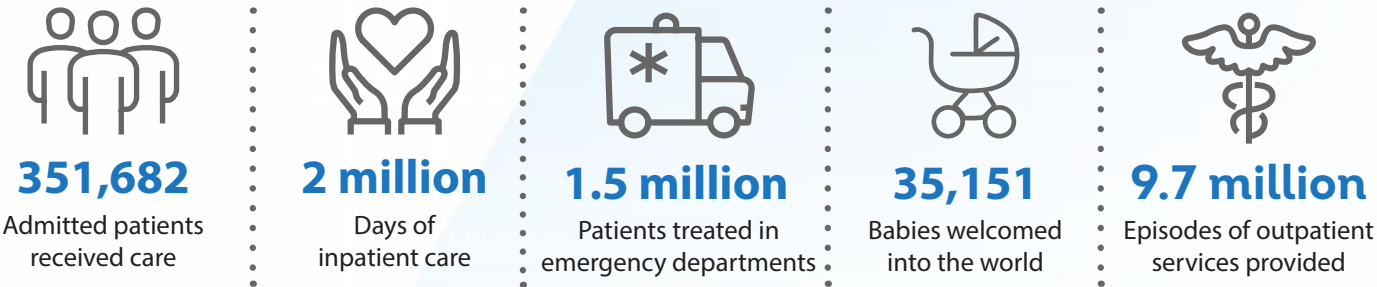
Hospitals power technological advancements and stimulate innovative research in medicine. They support a skilled and dedicated workforce and train our future doctors and nurses.

As the state’s largest collective employer and a major consumer of goods, they are reliable, sustaining engines of local commerce, creating hundreds of thousands of jobs and purchasing billions in supplies and services.

As they confront significant financial pressures from government underpayment and skyrocketing prescription drug, supply, and labor costs, hospitals are unwavering champions of policies that protect healthcare access and affordability.

This report highlights the indispensable contributions of Connecticut hospitals and health systems, examines the challenges they face, and details their significant financial and economic impact across the state, while also providing a primer on hospital finance and the fiscal condition of hospitals today.

CONNECTICUT HOSPITALS AND HEALTH SYSTEMS BY THE NUMBERS



Hospital services data reflect one year of inpatient activity, based on ChimeData reporting for fiscal years (FY) 2025 and 2024. Outpatient data reported by the Connecticut Office of Health Strategy (OHS) are based on FY 2024 (or FY 2023 where FY 2024 was unavailable). Outpatient services include diagnostic procedures (such as colonoscopies); ambulatory surgeries (such as gallbladder procedures); diagnostic imaging (MRI, PET, and CT scans); clinic visits; and COVID-19 testing and vaccinations.

BENEFITS TO COMMUNITIES BY THE NUMBERS



\$61.8 million

Community health improvement services and community benefit operations



\$313.9 million

Health professions education



\$4 million

Subsidized health services to provide care needed by the community



\$1.46 billion

Unpaid hospital care provided to Medicaid beneficiaries*

\$1.51 billion

Unpaid hospital care provided to Medicare beneficiaries*



\$302.5 million

Uncompensated care: charity care/bad debt to provide services for those who cannot pay*



\$21.9 million

Research and other programs to advance healthcare for patients and the community



\$13.6 million

Community building to create stronger, healthier communities



\$50.9 million

Donations to help support community organizations

TOTAL COMMUNITY INVESTMENT: \$3.74 billion

**These data reflect the most recently audited financial statements (FY 2024). All other data reflect the most recent data (FY 2024) reported to CHA by members. The IRS defines community benefit as a subset of the above investments.*

ECONOMIC IMPACT BY THE NUMBERS



GOODS AND SERVICES

\$9.6 billion

Spent on goods and services

\$9.6 billion

Created in "ripple effect" spending

TOTAL IMPACT

Of hospital and health system spending:

\$19.2 billion



JOBS

115,593

Employed with a payroll of:

\$11.15 billion

132,296

"Ripple effect" jobs with a payroll of:

\$11.22 billion

TOTAL JOBS

247,889

TOTAL PAYROLL

\$22.4 billion



CAPITAL IMPROVEMENTS

\$1.1 billion

Spent on buildings and equipment

\$1.2 billion

Additional economic activity generated

TOTAL IMPACT

Of spending on capital improvements:

\$2.3 billion

TOTAL ECONOMIC IMPACT: \$43.9 billion

The hospital and health system economic analysis is based on statewide multipliers from the Regional Input-Output Modeling System (RIMS II), developed by the Bureau of Economic Analysis of the U.S. Department of Commerce. It uses data from each member hospital and health system's FY 2024 audited financial statements. RIMS II provides an accounting of "inputs" purchased and "outputs" sold by an industry in the state. The spending of one industry will have a ripple influence throughout a state's economy — this is known as the multiplier effect. RIMS II regional multipliers measure both the direct and indirect impact on the state economy from a specific industry. The total number of jobs is based on individuals employed by Connecticut's hospitals and health systems, as recorded through IRS Form W-3.

ADVANCING SAFE, EQUITABLE, AFFORDABLE HEALTHCARE FOR ALL



Hospitals are not only treating acute illness but also addressing the upstream, root-cause

factors that shape health. They are removing barriers to preventive care, working to keep people healthy while reducing the burden of chronic diseases and their complications — like diabetes, congestive heart failure, and chronic obstructive pulmonary disease. Through multi-sector partnerships, hospitals are tackling longstanding inequities that disproportionately affect low-income communities and minority populations. Improving social, economic, and environmental drivers of health — including employment, housing, education, water and air quality, and access to nutritious food — fosters healthier families and communities for generations to come.

In a year, Connecticut hospitals and health systems treat **1.5 million** patients in emergency departments, welcome **35,000** babies, and care for more than **351,000** admitted patients, accounting for nearly **2 million** days of inpatient care.



Connecticut hospitals are finding new, innovative ways of bringing advanced care into more communities — improving the health of our entire state.

Scan the QR code to learn more.



FAST FACTS



247,889 jobs

Created directly
and indirectly



**\$3.74 billion
in community
investments**

Contributed, including
subsidized health services,
research programs, health
professions education,
donations, and more



**\$43.9 billion in
economic activity**

Generated across
the state

HOW HOSPITALS ARE PAID



Hospitals receive payment for patient services from government insurance programs like Medicare and Medicaid, from commercial insurance companies, and from patients who pay (in part or in full) for services themselves.

Medicaid is a jointly funded federal and state program that provides health coverage to eligible low-income adults, children, pregnant women, elderly adults, and people with disabilities. Medicaid is administered by states, according to federal requirements.

Medicare is the federal health insurance plan for people who are 65 or older, certain younger people with disabilities, and people with end-stage renal disease (kidney failure that requires dialysis or a kidney transplant).

Hospitals receive reimbursement from Medicaid for **ONLY 58%** and from Medicare for **ONLY 80%** of what it costs to provide care to those patients.

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This underpayment for services amounted to nearly **\$3 billion** in one year.

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Connecticut hospitals incurred **\$1.46 billion in Medicaid losses** and **\$1.51 billion in Medicare losses.**

Medicaid and Medicare losses reflect the most recently audited financial statements (FY 2024).

HOW HOSPITALS STRENGTHEN OUR STATE



Connecticut hospitals and health systems are major...

Employers

They directly provide well-paying jobs to more than 115,000 people, with an annual payroll of \$11.15 billion. And for every hospital job, another is generated outside the hospital. In total, hospitals and health systems create nearly 248,000 jobs, for a combined payroll of \$22.4 billion.

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Purchasers of Goods and Services

They spend nearly \$9.6 billion on medical equipment, supplies, and other operating expenses, such as electricity, every year. These expenditures further ripple out into the community, powering an additional \$9.6 billion in economic activity, for a total impact of \$19.2 billion.

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Economic Engines

They invest \$1.1 billion in buildings and equipment, which produces an additional \$1.2 billion in economic activity, for a total annual impact of \$2.3 billion. These capital investments spark new healthcare-related ventures, boost business for suppliers and vendors, and support local retail stores, banks, and other establishments frequented by employees, patients, and families.

THE FUTURE OF CONNECTICUT HOSPITALS AND HEALTH SYSTEMS



**HOSPITALS PROVIDE
24/7 LIFESAVING CARE
TO ANYONE WHO WALKS
THROUGH THE DOORS,
REGARDLESS OF THEIR
ABILITY TO PAY.**

Uncompensated medical care

— which includes charity care and bad debt — cost Connecticut hospitals about **\$302.5 million** in one year. Federal Medicaid eligibility changes and the expiration of enhanced insurance premium subsidies threaten to increase the volume of uninsured and underinsured patients, escalating uncompensated care costs.

COMMITMENT TO CARE

Hospitals and health systems continue to contend with unprecedented public health challenges, rising electricity, food, and supply costs, shifting federal policies, and a persistent workforce shortage — all factors straining healthcare teams and testing hospitals' agility. Even in the face of ongoing financial hardship and recent federal cuts that could drastically impact health insurance coverage, hospitals remain committed to ensuring patients receive compassionate, high-quality, equitable care in convenient locations.

ECONOMIC HEADWINDS

Hospitals' financial health is closely tied to that of the communities, families, and individuals they serve. To continue delivering exceptional, affordable care to all patients, they rely on government support. Insufficient Medicaid and Medicare reimbursement squeezes already struggling providers and shifts costs onto employers and consumers. It is why hospitals continue to emphasize that addressing underpayment will make healthcare more affordable for all patients, regardless of insurance.

KEY ISSUES

Workforce Development, Recruitment, and Retention

Connecticut, like much of the nation, is experiencing a critical healthcare workforce shortage driven by the aftermath of the pandemic and an aging workforce. Addressing this challenge requires statewide collaboration across healthcare sectors, industries, and government to recruit, retain, and protect healthcare workers. Hospitals are bolstering the local workforce by prioritizing employee well-being, career development, and safe care environments. As labor costs continue to rise, state and federal governments must coordinate comprehensive strategies to sustain the healthcare workforce into the future, including by building robust workforce pipelines, easing the path to education and employment, and amplifying awareness of diverse job opportunities and specialty positions.

Financial Challenges, Healthcare Coverage, and Compensation

Connecticut hospitals are facing mounting financial strain as the cost of drugs, medical supplies, and labor continue to rise while payments fail to keep pace. Connecticut hospitals are spending more to provide care than they receive, resulting in slim operating margins that are far lower than neighboring regions. At the same time, workforce shortages, higher patient acuity, insurer payment delays and denials, and inadequate Medicaid and Medicare reimbursements compound these pressures. Policies that reduce payments to hospitals or impose greater regulatory burdens would exacerbate financial instability and hinder access to affordable care. It is crucial that state leaders focus on ways to increase Medicaid reimbursement rates, support patients who lose coverage due to federal cuts, and collaborate with hospitals and community partners to offset the expected rise in uncompensated care costs.

Regulatory Environment Impeding Access and Innovation

Hospitals are constantly evolving to meet patient demand for timely services in optimal settings. Connecticut's process for regulating healthcare delivery changes, called certificate of need (CON), should be a tool to enhance healthcare transformation, not stymie it. Excessive administrative burden, decision delays, and bureaucratic procedures in the

current CON process create barriers to healthcare access and affordability and hamper jobs development and economic growth. Hospitals are advocating for system reforms that streamline applications, reduce redundancy, and expedite authorizations — changes that put patients first, advance clinical innovation, and strengthen the state's economy.

Hospital Tax Reform

Historically, federal and state governments have treated hospitals as tax-exempt entities, recognizing the vital role they play in strengthening the health and well-being of the communities they serve. While not-for-profit hospitals are exempt from corporate, sales and use, and property taxes, they are one of the state's largest providers of tax revenue through the provider tax, known as the "hospital tax." The hospital tax is a major source of funding for Connecticut's Medicaid program and is used to access federal matching funds, freeing up General Fund revenue for other purposes. Disputes over the state filling budget holes with hospital tax revenue resulted in a historic settlement between the state and Connecticut hospitals in 2019. The settlement, which gradually reduced the tax burden on hospitals while preserving revenue gains for the state, expires in June 2026. Amid new federal provider tax restrictions that may worsen Medicaid underpayment, it is imperative that the state works with hospitals to ensure the tax sustains and strengthens the Medicaid program and supports critical services for Medicaid beneficiaries.

Community Health and Equity

Hospitals are partnering with organizations to drive regional change in community health, care delivery, and health equity. Factors such as poor nutrition, unsafe environmental conditions, housing instability, and economic insecurity fuel chronic disease and increased need for medical care — burdens felt most acutely in economically marginalized communities, often communities of color. These disparities contribute to longstanding health inequities that became starkly visible during the pandemic and persist amid growing challenges. Hospitals continue to develop and deploy multi-sector initiatives that promote prosperity and improve health outcomes for all, including by expanding access to preventive care, supplying basic necessities, and educating patients and providers.

KEY ISSUES

Addressing the Impact of Federal Policies

Recent federal policy decisions — particularly Medicaid cuts, the failure to extend enhanced health insurance subsidies, and policies that negatively impact the healthcare workforce — harm Connecticut hospitals, patients, and communities. Reductions in coverage increase uncompensated care, strain hospitals that must treat all patients regardless of ability to pay, and drive higher costs across the healthcare delivery system. Connecticut hospitals continue to advocate with our congressional delegation and state leaders to oppose harmful federal actions and advance solutions that protect coverage, stabilize hospitals, and safeguard access to care statewide.

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About the Connecticut Hospital Association

The Connecticut Hospital Association has been dedicated to serving Connecticut hospitals and health systems since 1919. Through state and federal advocacy, CHA represents the interests of Connecticut hospitals on key healthcare issues in the areas of quality and patient safety, access and coverage, workforce, community health, health equity, and hospital reimbursement.

