



CONNECTICUT
HOSPITAL
ASSOCIATION

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HURTING HOSPITALS HURTS CONNECTICUT

Let's build a budget that protects patient care.

Governor Lamont's budget proposal contains policies that would jeopardize healthcare.

These proposals would add significant financial burdens on local hospitals at a time when they are already struggling. These policies would weaken healthcare in Connecticut and hurt patients and the healthcare workforce, making care more expensive and less accessible.

Devastating to Local Hospitals

Governor Lamont's proposed budget would drastically reduce hospital payments and increase the burden of the state's hospital tax – the combined effect would devastate hospitals and jeopardize care. This comes at a time when Connecticut hospitals continue to face [extraordinary financial pressures](#) that exceed the nation and the region, and our healthcare providers across the state work to recover from the lasting effects of the global pandemic and years of historic inflation.

Connecticut hospital expenses grew by \$1 billion in one year, drug costs are up 10%, and government payer underpayment continues to strain hospitals and health systems with hospitals shouldering over \$2.8 billion in Medicare and Medicaid losses annually.

Governor Lamont's budget would [squeeze hospitals further](#) with the collective impact of policies including hospital tax rebasing, which would increase the annual hospital tax, out-of-network price caps, and unequitable reduced payments for state employee/retiree care – pushing more costs onto hospitals.

Connecticut leads the nation in delivering high-quality, innovative care. But these proposals would jeopardize access to world-class care by making it more difficult for hospitals to meet their mission of caring for communities, improving quality, growing and supporting the healthcare workforce, and investing in innovation to advance care.

Governor Lamont's Budget Lacks a Vision for Healthcare



Does **nothing** to ensure the state Medicaid program is paying hospitals fairly



Does **nothing** to address root-cause drivers of poor health



Does **nothing** to make healthcare more affordable, accessible, or equitable



Does **nothing** to support the strained healthcare workforce

HARMFUL POLICIES IN THE GOVERNOR'S PROPOSED BUDGET



Rebasing the Hospital Tax

This would result in a significant **tax increase** on Connecticut hospitals.

Hospitals already pay more than \$800 million in taxes to the state each year and are absorbing \$1.43 billion in Medicaid losses, and \$1.38 billion in Medicare losses.

The Governor's proposals would add millions in additional taxes.



Capping Out-of-Network Rates for Inpatient and Outpatient Services

This will lead to **more than \$700 million in reductions to hospitals**, worsening hospitals' negative operating margins.

This jeopardizes hospitals' ability to maintain current levels of access to services for patients and undermines hospitals' efforts to rebuild and recover financially. It unfairly favors insurance companies in payer/hospital negotiations and ignores how the state underfunding Medicaid impacts commercial costs.



Reduced Payments for State Employee/Retiree Care

An unequitable approach that will likely worsen financial burdens on hospitals at a time when they are already struggling financially, making it more difficult for hospitals to meet their mission of caring for communities, improving quality, growing and supporting the healthcare workforce, and investing in innovation to advance care.

ACTION IS NEEDED:

We must work together to build a budget that protects patients, supports care delivery and the healthcare workforce, and plans for Connecticut's future.



Protect CT Care

Contact CHA
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