



Connecticut's Delicate Legislative Balance: Deadlock or Breakthrough?

Where We Left Off: 2016 Presidential Election



President Donald Trump

New Federal Challenges to Hospitals

- Change the Affordable Care Act
- Block-Grant Medicaid to the States

By Executive Order, Regulation, or Law

Meanwhile... Back in Connecticut

- 10,700 new hospital jobs created per month nationally during 2016
- 15 hospital jobs per month lost in Connecticut during 2016

An Unprecedented Situation

State Senate deadlocked at 18-18

Democrats retain 79-72 majority

January 4, 2017 – A New Legislative Session Begins

2017-18 deficit balloons to \$3 billion

- Governor's speech highlights:
 - Leaner, more efficient government
 - Fund pension obligations
 - Redesign municipal aid formulas

February 8, 2017 – Governor's Budget Proposal

Governor targets hospitals again

- Provider tax rebasing
- Property tax on hospitals

Other Proposals

- State employee concessions
- Impose teacher pension costs on towns
- Repeal property tax credit

February 16, 2017 – Hospitals Respond

Hospitals Launch Campaign Opposing Governor's New Taxes

- TV
- Digital
- Social



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February 16, 2017 – Hospitals Respond



Care We Can Count On

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The hospital tax costs you \$650 more for care every year. Now the Administration wants another new tax! Tell lawmakers no way! We can't afford it!



Tell Lawmakers: No New Hospital Taxes!

Click learn more to find your local lawmakers to say no way!

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Learn More

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March 9, 2017 – Hospitals Testify Against Budget

Two budget bills harm hospitals:

SB 787 quarterly rebases hospital tax

- Increases the tax by \$150 million over the biennium

HB 7050 imposes property tax

- \$212 million annual tax increase

April 5, 2017 – Hospital Day at the Capitol

More than 600 hospital employees

- Representatives and Senators from both parties stand with hospitals
- Hospitals should be part of the solution to improving the economy

April 13, 2017 – Governor Elects Not to Run



**Governor
Malloy
Not
Running
Again!**

April 25, 2017 – Appropriations Committee

Committee leadership proposes a bipartisan budget that:

- Restores small hospital pool
- Rejects property tax proposal

Committee later adjourns without voting, citing Republican work on their own budget

April 27, 2017 – Finance Committee Acts

Finance Committee Breaks Through!

- Unanimously Rejects Governor's tax increases
 - SB 787 provider tax rebasing
 - HB 7050 property tax
- **7-year provider tax phase-out**
- Tax credits and voluntary contributions

June 7, 2017 – Session Ends With No Budget

Deadlock Prevails

Deficit balloons to \$5 billion

- Anticipated tax revenues drop
- No plan balances the budget
- Special Session convened

July 18, 2017 – Another Missed Deadline

New fiscal year begins with no budget

State operating under Executive Order

Legislature misses self-imposed deadline

July 25, 2017 - Legislature Approves SEBAC Agreement

Vote Largely Along Party lines

- Proponents tout \$1.5 billion in savings over the biennium
- Opponents claim future legislatures are unreasonably bound to wage hikes and current benefits

Budget Deadlock Continues

Assuming \$1.5 billion in labor savings, the challenge remains to close a \$3.5 billion deficit

Governor persists in his pursuit of higher hospital taxes:

SB 787 – provider tax rebasing

HB 7050 – property tax on hospitals

...are alive again!!

Budget Breakthrough?

***Slide Reserved
for Budget
Highlights***

Questions?



Carl Schiessl, Director, Regulatory Advocacy
Connecticut Hospital Association
Schiessl@chime.org (203) 294-7341