



M. Jodi Rell
GOVERNOR
STATE OF CONNECTICUT

March 16, 2009

The Hon. Mary Ann Handley, Co-Chair
Higher Education & Technology
Room 3200
Legislative Office Building
Hartford, Connecticut 06105

The Hon. Roberta Willis, Co-Chair
Higher Education & Technology
Room 1802
Legislative Office Building
Hartford, Connecticut 06105

The Hon. Dan Debicella, Ranking Member
Higher Education & Technology
Room 2203
Legislative Office Building
Hartford, Connecticut 06105

The Hon. Pamela Sawyer, Ranking Member
Higher Education & Technology
Room 4200
Legislative Office Building
Hartford, Connecticut 06105

Dear Chairs and Ranking Members:

Like you, I am excited by the proposals to enhance the future of the University of Connecticut Health Center. I am doing all in my power to ensure the strength of our flagship university, its medical and dental schools and the students who attend them.

Not only is the UConn Health Center a training ground for the doctors, dentists, nurses and other health professionals who will care for us in the years to come, it is a critical element of the *current* health care network, treating thousands of patients every year.

The proposal before you to create a partnership with Hartford-area hospitals – especially to replace John Dempsey Hospital with campuses in Hartford and Farmington under a partnership with Hartford Hospital called Hartford Health Care Corporation (HHCC) – has enormous promise. A study by the Connecticut Center for Economic Analysis suggests this proposal would modernize the UConn hospital and bring the latest in health care technology to the people it serves, provide the finest training possible to our medical and dental students and grow much-needed jobs for our economy.

I asked the Office of Policy and Management, headed by Secretary Bob Genuario, to analyze the fiscal impact of the partnership. His response, which is enclosed, identifies several areas of concern – most notably, the immediate impact on the state budget.

"The state cannot afford to take on the forecast debt service that would be necessary to construct a new hospital," Secretary Genuario wrote.

That is, replacing John Dempsey Hospital with a \$475 million, state-financed, 250-bed hospital in Farmington and having the state make up the difference in fringe benefits paid to state and non-state employees of HHCC would mean expenses to the state of **\$50 million in debt service payments and at least \$13 million in fringe benefit costs.**

"Also, the state would be bound to continue supporting the schools of medicine and dental medicine at current and increasing levels (including collective bargaining increases and inflation)," Secretary Genuario's report notes.

As a result of OPM's analysis, as interesting as the proposal is I cannot give it my support. In light of the current economic climate and the enormous budget deficit the state must confront in Fiscal Years 2010 and 2011, I feel we cannot in good conscience make such a large financial commitment. In short, this is an intriguing proposal but we simply cannot afford it at this time.

Let me be clear: Once the economic picture has begun to improve – and outstanding issues of concern and cost identified in the OPM analysis are resolved – I believe we should reconsider this issue.

In the meantime, I will work with you and with the leaders of UConn, UConn Health Center, Hartford Hospital and other area hospitals to further refine the proposals to ensure they do not cause economic hardship to other hospitals in the area. Such a partnership must also make clear the rights and responsibilities of all parties – including the state – in terms of governance, labor contracts and issues such as future federal funding. I believe that it is possible to craft an agreement in such a way that all hospitals will benefit and that the state will not be disadvantaged or unduly burdened.

I look forward to working with you to take advantage of the outstanding opportunities this collaborative proposal will create for UConn, its students and the people of Connecticut.

Sincerely,



M. Jodi Bell
Governor

