

Appropriations Higher Education Subcommittee Work Session
March 6, 2026
UConn Health
Follow Up Questions from Appropriations Committee
Meeting on February 19th, 2026

1. **What is UConn Health's FY 27 budgetary ask? How does the ask break down by specific policy (ie, \$x is requested for wage increases, \$y is requested for programmatic assistance, etc.)**

While it will be extremely challenging and will require significant financial improvement plans and implementation, UConn Health is committed to keeping within the enacted FY27 levels of \$139.3 million.

It is important to note that with regard to union contracts for all state employees that are currently being negotiated, any salary increases will require additional permanent state support. As outlined in the wage increase impact table below, the enacted budget includes \$7.5 million for this (noted as additional inflationary increases), if a 3% increase in salary for all our employees is agreed upon, the total impact to UConn Health is \$50.4 million. This would leave a shortfall and additional request of **\$42.9 million, bringing the total block grant to \$182.2 million**. If a 4.5% increase in salary for all our employees is agreed upon, the total impact to UConn Health is \$63.2 million. The enacted budget includes \$7.5 million for this (noted as additional inflationary increases) leaving a shortfall and additional request of **\$55.7 million, bringing the total block grant to \$195 million**. The wage increases would cover two fiscal years FY26&FY27. To be clear: UConn Health supports our workforce being paid fairly and competitively; our request is that the state fund the full cost of any pay increases it negotiates, as it does for nearly every other state agency rather than passing most of these costs on to UConn Health, and, by extension, will increase patient volume, and such cuts would be devastating and could include cuts to services and jeopardize access to care. We will be asking the state to cover those increases for all our employees on a permanent basis.

UConn Health: FY26 and FY27 State Operating Budget

**Potential Impacts*

UConn Health		
FY26 Approved State Support	\$143.5	
FY27 Approved State Support	\$139.3	
Midterm Request (Wage Increases 3%/4.5%)*	\$42.9	\$55.7
FY27 Revised Total Midterm Request	\$182.2	\$195.0
FY27 Governor Midterm Proposed	\$138.6	

Wage Increase Impact to UConn Health			
FY27 Wage Increase (Cumulative)		Enacted State Budget	Difference
3.0%	\$50.4	\$7.5	-\$42.9
4.5%	\$63.2	\$7.5	-\$55.7

Note: FY27 Wage Increase includes FY26 and FY27



*Potential impacts: pending final State approved collective bargaining wage increases and impacts of OBBBA at UConn Health (Patient Revenue \$18.4M plus 340B Program \$58.4M for a total potential loss of \$76.8M)



The Governor’s FY27 proposed midterm budget adjustment, includes a \$633,000 reduction in state support to three legislatively directed initiatives the neuromodulation treatment program, the endometriosis data and repository program and a migraine study. UConn Health is requesting those programs be restored to the enacted FY27 levels.

In addition, impacts of the federal “One Big Beautiful Bill Act” (OBBBA) on clinical revenues may necessitate additional state support to address any shortfalls caused by its implementation. Estimated impacts include:

Potential Impact of OBBBA @ UConn Health	
Patient Revenue	\$18.4
340B Program	58.4
Total Potential Loss of Federal Funds	\$76.8

2. For all UConn Health accounts (including the Governor’s proposed Various Grants account), what are the accounts for? Who is served by the accounts? What outcome measures are used to determine success of the programs funded by the accounts?

General Fund:	
Operating Expenses	\$135,508,524
AHEC	429,735
Neuromodulation Treatment	1,600,000
Various Grants	
Endometriosis Data and Repository Program	812,000
Migraine Study	120,000
Various Grants subtotal	932,000
Total General Fund	138,470,259
Cannabis Regulatory Fund	
Poison Control	\$178,385
Total All Funds	138,648,644

Operating Expenses - Every dollar is spent on employee salaries. At UConn Health, 19% of our workforce is supported by state appropriated funding, while the remaining 81% is funded by UConn Health.

AHEC - CT Area Health Education Center (AHEC) Network: Community Service and Workforce Development. Initiatives to prepare the next generation of health care providers, grow the number of under-represented minorities enrolled in healthcare education, and increase the number of healthcare professionals practicing in urban settings and other areas across the state.

UConn physicians, dentists, residents, medical and dental students provide thousands of hours of free healthcare to Connecticut’s most medically vulnerable citizens, for example:

- South Park Inn Medical/Dental Clinic (Hartford)
- Camp Courant Dental Screening Program
- CT Mission of Mercy
- Special Olympics Healthy Athletes/Special Smiles
- SHA/SHIP – Students/Faculty assisted CT DPH with community input survey
- UConn Storrs assisted DPH with section on climate change and health in CT
- Hartford North End Health & Wellness Screening Events-UConn Schools of Medicine and Dental Medicine working with the City of Hartford, DHHS and local community organizations provide health education & screening events focused on Oral Cancer, Diabetes & hypertension at Keney Park in Hartford.

Neuromodulation Treatment – UConn Health will establish a Center of Excellence for Neuromodulation Treatment. Neuromodulation is the alteration of nerve activity through targeted delivery of a stimulus, including, but not limited to, electrical stimulation or chemical agents, to specific neurological sites in the body. The treatment is designed to stimulate the vagus nerve (located near the neck) and helps stroke patients regain a substantial amount of physical movement back, which was lost due to stroke. The

procedure provides life-changing relief to the patients, and under this program, the patients will be disabled veterans, who generally are afflicted with their disability due to their service.

Endometriosis Data and Repository Program –

The Endo-DBR will be the first public, multi-institution biorepository in the United States, and will foster basic research and clinical collaborations designed to help understand the impact of endometriosis on Connecticut residents. It will also promote early detection in adolescents and adults, catalyze the development of initiatives aimed at developing new therapeutic strategies and better management of the disease, and provide early access to the latest therapeutic options as they are developed – all of which are desperately needed. The impact on healthcare, healthcare costs, quality of life and economic potential for endometriosis patients could be transformative.

Migraine Study -

A study of migraine treatment will be performed by UCH’s Department of Neurology, specifically relating to treatment for women and veterans.

Poison Control –

Support 2 positions in the Poison Control Center to manage 1) increased call volume and 2) data monitoring/reporting related to cannabis.

What outcome measures are used to determine success of the programs funded by the accounts?

Progress and outcomes are managed individually within each program’s leadership structure and annual financial reviews are completed centrally to ensure funding is used appropriately and plans for future spending is communicated.

3. UConn Health is projecting a 3% increase in employee wages. Can UConn Health break that down by student-facing and non-student-facing positions?

Clinical Estimated Increase (3%)	\$32.1
Academic/Research Estimated Increase (3%)	\$18.3
	\$50.4

The 3% increase in employee wages for UConn Health totals \$50.4 million. The estimate related to the Clinical wages is \$32.1 million. The remaining \$18.3 million is related to the Academic and Research program wages.

4. Waterbury Hospital Tax – what is the arrangement with the Waterbury Hospital tax, do they have to pay it, will they ever have to pay it? Will they be receiving money from the hospital tax supplemental payment? Are they members of CHA, Will they be members of CHA after the acquisition?

The Governor’s proposal exempts Waterbury Hospital from paying the hospital tax; This exemption will provide financial relief during the hospital’s recovery and transition period; which we expect to be at least five years. It is anticipated that Waterbury, when it becomes profitable, will return to paying into the hospital tax.

Waterbury Hospital will be eligible to receive funds from the hospital tax supplemental payment, supporting operational stability and patient care services.

Prospect Hospitals (including Waterbury Hospital) were not members of the Connecticut Hospital Association (CHA). UConn Health is a current member of CHA, and provides data and information to them on all hospital metrics. It is anticipated that Waterbury Hospital’s information will ultimately be shared with CHA along with UConn Health’s, upon closure. It is our expectation that all benefits of CHA membership will be made available to Waterbury Hospital, as a partner in the new UConn Health community network.

Background Information:

UConn Health - Additional Background on Potential Impacts of 340B Programs and the “One Big Beautiful Bill Act” (OBBA):

• **340B Program Clinical Revenue Losses**

340B is a federal program in which drug manufacturers reduce prices of outpatient drugs for safety-net clinics and qualifying non-profit hospitals. Program qualification is based on your percentage of Medicaid patient days. The expectation is that the entities use the profit generated from the program to help vulnerable patients access more affordable drugs and for hospitals to expand community care. As a result of changing patient demographics, including an unwinding of Medicaid benefits after COVID reducing eligible participants, the hospital’s status is at risk. A loss of 340B program eligibility impact has an estimated revenue loss of up to \$58.4M in the clinical enterprise.

• **Medicaid, Medicare, Affordable Care Act Clinical Revenue Loss Impacts**

Federal impact related to the OBBA places restrictions on eligibility and subsidies in Medicaid, Medicare and the Affordable Care Act are expected to push large amounts of people off health plans. This will force patients to urgent care and emergency rooms rather than primary care and specialist appointments. We estimate the magnitude of these changes to be a 20% shift from Medicaid to Self-Pay which would equate to an estimated loss of \$18.4M (\$15.7M to inpatient and \$2.7M to outpatient revenues). In addition, a 20% reduction in the Medicaid population, further strains UConn Health’s ability to qualify for the 340B program as mentioned above. UConn Health will continue to monitor and report

on the impacts related to the OBBA and what additional state support may be needed to fill the gaps.