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**Connecticut Association of Health Care Facilities Sues
the State of Connecticut
Seeking Adequate Reimbursement for Long Term Care**

(East Hartford, CT) – The Connecticut Association of Health Care Facilities (CAHCF), on behalf of 110 member nursing homes across the state, today filed a lawsuit in federal court against the State of Connecticut charging that the state’s system for paying Medicaid-participating nursing homes violates federal law.

The lawsuit, filed in United State’s District Court for the District of Connecticut, names Governor Rell as sole defendant, as the state’s chief executive officer, and seeks an injunction to require the state to comply with federal law.

“This lawsuit is a last resort. After years of underfunding, Connecticut’s nursing homes are stretched to the limit trying to provide high quality care to 28,000 frail and elderly residents without adequate funding,” CAHCF Executive Vice President, Matthew V. Barrett said.

Barrett continued, “Connecticut is poised to continue on its unlawful path, unless the state is compelled otherwise by the United States District Court.”

The CAHCF case against Governor Rell includes two main arguments:

(1) Connecticut’s Medicaid rate-setting system violates very clear rules found in federal law. The federal law that Connecticut ignores is supposed to assure that payments to Connecticut nursing facilities are consistent with efficiency, economy, quality and equality of access to care. However, by using payment methodologies that assure that payments bear little or no relationship to the cost of care, Connecticut guarantees that the requirements of the federal law will not be met. In fact, there is no evidence that Connecticut sets federally-required payment rates to nursing facilities on an objective, reasonable and principled basis.

(2) Connecticut’s payment system constitutes a taking of private property without just compensation in violation of the United States Constitution and the Connecticut Constitution. Our member facilities have a fundamental right to be justly compensated for the quality services they provide. The longstanding Medicaid funding shortfall and its unfair consequences are well-documented as private payers, Medicare beneficiaries, and nursing homes have been forced to subsidize Medicaid’s failure to pay its legitimate fair share of these costs. In shifting the financial burden, Connecticut has achieved a considerable benefit by not paying for the benefit, while imposing the cost, like a stealth tax, on a shrinking group of nursing home residents and their families, our employees and our facilities. The CAHCF lawsuit exposes this policy for what it is—an unfair and unlawful tax on a few to subsidize Medicaid costs that ought to be, but are not, paid by the State.

CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

The CAHCF suit cites various state-sponsored studies that have found that the reimbursement system does not “adequately reflect the actual costs of wages, benefits and staffing.” It also claims that Governor Rell has established a policy where budget decisions trump all other considerations, even the guarantees of federal statutes and constitutional law.

Governor Rell has until February 18, 2010 to file a formal response to CAHCF’s complaint.

Established in 1929, the Connecticut Association of Health Care Facilities, Inc. (CAHCF) is the state’s largest not-for-profit member association representing profit and not-for-profit health care facilities providing long-term, sub-acute and rehabilitative services to 14,000 Connecticut citizens; and allied health-care-related businesses and organizations.