

FOR IMMEDIATE RELEASE
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***Connecticut Association of Health Care Facilities
Asks Federal Court to Prevent the State from
Implementing Rate Cuts
Pending Further Review of Legal Claims***

(East Hartford, CT) – The Connecticut Association of Health Care Facilities (CAHCF), on behalf of 110 member nursing homes across the state, is pressing its case against the State of Connecticut by today requesting that the federal district court grant an expedited hearing on CAHCF’s claim that the state’s system for paying Medicaid-participating nursing homes conflicts with federal law. \

On January 28, 2010, CAHCF filed a lawsuit in the United States District Court for the District of Connecticut (*CAHCF v. Rell*), naming Governor Rell as the sole defendant in her role as the state’s chief executive officer, and seeking an injunction to require the state to comply with federal law.

The Motion for a Preliminary Injunction filed today, would, if granted, stop implementation of harmful rate cuts and signal the Court’s view that CAHCF is more than likely to succeed on the merits of its case and that the court’s intervention is necessary to prevent CAHCF members from experiencing irreparable harm.

“Today’s legal action is necessary to immediately protect CAHCF member nursing homes, their employees and the residents they serve, from the harmful effects of the state’s current nursing home funding formula, which cuts nursing home funding by almost \$300 million in the two-year budget cycle and threatens the high quality care provided to 28,000 frail and elderly residents,” stated CAHCF Executive Vice President, Matthew V. Barrett said.

Barrett continued, “Connecticut is poised to continue on its path of cutting nursing homes without regard to federal statutory requirement unless the state is compelled otherwise by the United States District Court.”

The Motion includes evidence of a significant per day Medicaid funding shortfall and expert evaluations on how the shortfall guarantees that the state’s rate setting system violates federal law.

CAHCF's underlying case against Governor Rell asserts that 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 payment rates to nursing facilities on an objective, reasonable and principled basis. Instead, payment rates are set based solely on state budgetary considerations.

In addition to expert testimony, CAHCF's Motion 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 demonstrates that Governor Rell has allowed state budget considerations to trump all other considerations, even the guarantees of federal law.

Click [HERE](#) to view today's Motion for a Preliminary Injunction and supporting papers, as well as 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.