

REJECT ANTI-BUSINESS, BURDENSOME AND UNNECESSARY NURSING HOME “TRANSPARENCY” LEGISLATION – HB 5051 & HB 5136

REJECT H.B. No. 5051, AA IMPROVING THE TRANSPARENCY OF NURSING HOME OPERATIONS and HB 5136, AAC NURSING HOME TRANSPARENCY

These bills are harmful to your local nursing home and to the nursing home community as a whole. While the bills claim to be about “transparency,” in fact, the legislation reflects an intrusive, burdensome, costly (unfunded provider mandate unrelated to quality) and irrelevant cost-report filing requirement. No other health care provider doing similar business with the state is required to provide this information. Proponents have not demonstrated why the confidential business records should be made public---they acknowledge it will advance collective bargaining interests and disadvantage Connecticut nursing homes. Proponents acknowledge that nursing homes will be harmed by the bill with an “immunity from lawsuit” provision that would prevent justice for a business hurt by the bill.

Connecticut skilled nursing facilities operate in a highly regulated environment where they already provide information needed to set facility rates, comply with audits, or CON rules. The information that nursing homes will have to provide under these bills has no bearing on the setting of Medicaid rates or relevance to any other component of the rate-setting process, audit process, certificate of need process, or fraud prevention efforts. The current annual cost reports required under the law already include a section that requires nursing facilities to disclose all payments to businesses with ownership related to the facility. This existing reporting section requires that the facility report both the amount paid to any related entity and the actual cost of goods/services provided. The information provided by facilities is subject to audit verification by DSS and the agency routinely reviews reported information. Consequently, any “profit” margin on business between the facility and the related entity is disclosed and verified through DSS audit procedures, and unreasonable profits are disallowed.

This harmful legislation is unnecessary and doesn’t address the REAL issues Connecticut Nursing Homes face today. Under the bill, the state government’s intrusive reach will require profits and loss disclosures from business that are NOT providing nursing homes services the state is paying for---this is why the bills don’t address any REAL state government issues---proponents have not demonstrated why this information is needed.

Almost 30,000 Connecticut residents are cared for in Connecticut nursing homes. Medicare reductions in 2012 were as high as 16% in many Connecticut nursing homes and additional 2% federal sequestration cuts was effective April 1, 2013. On average, providers are paid by Medicaid \$25.47 per patient day less than what it costs to care for our residents. For the typical nursing facility, this represents over \$500,000 per year in unfunded costs. There has been no rate increase in the system since 2007, except for increases made possible by increasing the user fees paid by nursing homes themselves (this increase was cut \$5 million in SFY 2014). More challenges are ahead as the state continues its efforts to rightsize and rebalance Connecticut’s long term care system. **H.B. No. 5051 and HB 5136 are a distraction from efforts to address the REAL issues nursing homes face---both bills should be rejected.**