

CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

For Immediate Release: June 28, 2015; Contact: Matthew Barrett, 860-373-4365, mbarrett@cahcf.org

Statement of Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF):

Connecticut lawmakers will violate federal law and put at risk federal matching funds for \$1.2 billion in Medicaid nursing home expenditures if they adopt budget implementation legislation in Monday's special session inequitably allocating \$9 million to raise wages in sixty (60) unionized nursing homes and only \$4 million to one hundred and seventy (170) non-unionized skilled nursing facilities.

East Hartford, CT---The Connecticut Association of Health Care Facilities (CAHCF), the state's largest association of skilled nursing facilities, today offered harsh criticism of a provision under consideration in the special session of the Connecticut General Assembly that would unfairly and inequitably distribute new appropriations to increase wages of unionized nursing home workers to the detriment of non-unionized workers.

Matthew V. Barrett, Executive Vice President of the association, said a proposal his association understands will be included in budget implementation legislation would unfairly direct up to \$9 million to sixty (60) unionized nursing homes while only \$4 million would go to Connecticut's other 170 non-union nursing homes. Nursing homes in Connecticut are overwhelmingly non-union with only 30 percent associated with a union.

The Special Session proposal would mean non-union workers would see a wage enhancement appropriations increase of 0.75 percent increase while unionized homes would receive a 5.5 percent increase. This amounts to a ten cent raise for non-union workers and a eighty cent raise for union workers---eight times the increase non-union workers would receive. .

Barrett characterized the proposal as "blatantly unfair and discriminatory to the non-union workers who do the exact same work as the union workers with the same Connecticut taxpayer money." Barrett called the proposal "offensive" to the non-union workers. "A policy that values hardworking and dedicated non-unionized workers less than their union counterparts can't be fair by any measure."

Moreover, Barrett said that the anticipated budget implementation legislation overwhelmingly favoring union workers to the detriment of non-union workers amounts to an impermissible

“interference” in the collective bargaining process in violation of federal law. He said a large body of federal case law, including a well-known Connecticut case (New England Health Care Employees Union v. Rowland, 221 F.Supp.2d 297(D. Conn. 2002)), prohibits the state government from acting in a manner that alters the economic balance between the union and the nursing homes. Barrett said that federal law prohibiting these unfair interventions would “preempt” a state law violating these requirements. He said CAHCF will urge the federal Center for Medicaid and Medicaid Services (CMS), who oversees state Medicaid programs, to reject any plan by Connecticut to implement these unlawful requirements. He said state lawmakers and state officials would put at risk federal matching funds for the \$1.2 billion in state nursing home spending if CMS later “invalidates” the state action.

As background, the adopted Appropriations Act for FY 2016 and FY 2017 included initially \$12 million for nursing home employee wage enhancement without any distinction between union and non-union employees. CAHCF members learned of the disproportionate share earmarked for union nursing home employees in the waning hours of the regular session of the state legislature. Since then, CAHCF has been advocating for the fair and equitable distribution of the appropriations. Yesterday (June 27, 2015), it was reported that state lawmakers would add an additional \$1 million for non-union employees and a new distribution as follows: \$9 million allocated to 60 union nursing homes and \$4 million to the 170 non-union homes. CAHCF’s position is that the additional \$1 million appropriation, however well-intended, doesn’t address the underlying inequity of the allocation with union employees receiving eight times the amount that their non-union counterparts will receive for doing the same work.

Connecticut lawmakers and state officials don’t have to put the state budget and nursing home workers in harm’s way. Connecticut only previous wage enhancement was implemented in 2000 and it was for all nursing home workers without regard to their union status (See PA 99-297). Connecticut can and should implement wage enhancement in this way again. CAHCF is urging lawmakers in the special session to adopt an amendment to the anticipated budget implementation legislation that will require the equal distribution of the \$13 million wage enhancement appropriation.