

# CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

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January 30, 2014

The Honorable Elizabeth Ritter, Chair  
The Honorable Catherine Abercrombie, Chair  
Committee on Adequate Provider Networks of MAPOC  
Legislative Office Building  
Hartford, CT 06106

Dear Representatives Ritter and Abercrombie:

Thank you for this opportunity to submit the comments and observation of the Connecticut Association of Health Care Facilities (CAHCF) concerning the draft report of the Committee on Provider Network Adequacy prior to the report's submission to the Medical Assistance Program Oversight Council (MAPOC). CAHCF address three (3) areas of concern related to the report's Rate and Reimbursement Issues and Solutions findings: (1) Medicaid's historic underfunding of Connecticut's skilled nursing facilities and rehabilitation centers has grown to an alarming \$25.43 per Medicaid resident day; (2) Excessive, but preventable, delays in the long term care Medicaid eligibility determination process, are contributing to the financial instability of many skilled nursing facilities and rehabilitation centers in Connecticut; (3) CAHCF, a trade association and advocacy organization of one hundred and sixty-seven (167) skilled nursing facilities and rehabilitation centers welcomes the opportunity to work with the Committee on Adequate Provider Networks and the state Medical Assistance Program Oversight Council as the report's recommendations move forward.

## **"Rate and Reimbursement Issues and Solutions"**

### **(1) Medicaid's historic underfunding of Connecticut's skilled nursing facilities and rehabilitation centers has grown to an alarming \$25.43 per Medicaid resident day**

Members of CAHCF would like to underscore the finding made throughout the Network Adequacy report that Connecticut Medicaid rates are below costs for Medicaid providers providing services and supports for Connecticut Medicaid recipients. In the case of Connecticut's skilled nursing facilities and rehabilitation centers, CAHCF's national affiliate, the American Health Care Association (AHCA) reported last month that the gap between providing high quality care and the cost of doing so is widening considerably in Connecticut to \$25.43<sup>1</sup>. Regrettably, the other federal payer---Medicare---with

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<sup>1</sup> "A Report on Shortfalls in Medicaid Funding for Nursing Center Care." Eljay, LLC for the American Health Care Association, January 2014.



sequestration and other reductions is not in any position to help cover these shortfalls as in the past. Noteworthy in the report:

- Medicaid per diem nursing home reimbursement rates do not cover the cost of delivering care. The 2013 shortfall was calculated at \$25.43.
- The shortfall of \$25.43 represents 11% of the average daily rate.
- For 2013, this 11% is valued at more than \$153 million.

**(2) Excessive, but preventable, delays in the long term care Medicaid eligibility determination process, are contributing to the financial instability of many skilled nursing facilities and rehabilitation centers in Connecticut**

CAHCF wants the Network Adequacy Committee to understand that a solution is needed to address the persistent and worsening problem of excessive delays in the long term care Medicaid eligibility determination process at the Connecticut Department of Social Services (DSS) for skilled nursing facilities. Connecticut skilled nursing facilities and their residents are harmed by excessive delays in the eligibility determination process. As Medicaid applicants residing in nursing facilities await final disposition of their requests for state help, Connecticut nursing homes are simultaneously providing uncompensated care for periods of time often exceeding federal standard of promptness rules. CAHCF will continue to advocate for legislation to address this situation by requiring advanced payments under a presumption of eligibility for cases pending beyond the federal standard of promptness rules<sup>2</sup>. CAHCF also encourages the Network Adequacy Committee to note the fundamental unfairness of requiring nursing facilities to pay provider taxes, penalties, interest and fees for care provided to Medicaid applicants and recipients, when no payment is being received from Medicaid for providing care due to excessive delays. In the aggregate, nursing homes across our state are owed nearly sixty million dollars while they provide uncompensated care. Our nursing home is harmed by these excessive Medicaid eligibility and payment delays.

CAHCF applauds and encourages the DSS efforts to modernize its eligibility systems and for their commitment to hire badly-needed eligibility staff to address delays across the entire public and medical assistance spectrum. However, the state's initiatives are still well into the future, but our nursing homes need assistance today. Requiring DSS to advance payment to nursing homes is warranted given the current circumstances. CAHCF's recommendation is fair as it only require an advance payment in situations where the delay exceeds ninety-days. The nursing home will be under an obligation to repay the state for the advance payment within thirty days of the granting of Medicaid. The proposal calls for only fifty percent in the amount due the nursing home as the advance payment to conservatively account for periods of estimated ineligibility and

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<sup>2</sup> See Raised Bill No. 1025 **AN ACT CONCERNING ADVANCE PAYMENTS TO NURSING FACILITIES FOR UNCOMPENSATED CARE, 2013 Session of the Connecticut General Assembly**

actual eligibility denials. The state is made whole upon the final eligibility determination with guaranteed recoupment provisions.

**(3) CAHCF, a trade association and advocacy organization of one hundred and sixty-seven (167) skilled nursing facilities and rehabilitation centers welcomes the opportunity to work with the Committee on Adequate Provider Networks and the state Medical Assistance Program Oversight Council as the report's recommendations move forward.**

I hope you will contact me at (860) 290 -9424 or via email at [mbarrett@cahcf.org](mailto:mbarrett@cahcf.org) as the important work of the Network Adequacy Committee moves forward if we can be of any assistance. .

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew V. Barrett". The signature is fluid and cursive, with a long horizontal stroke at the end.

Matthew V. Barrett  
Executive Vice President