



**March 03, 2026**

**On behalf of the Connecticut Association of Health Care Facilities and the Connecticut Center For Assisted Living (CAHCF/CCAL), a trade association of skilled nursing facilities and assisted living communities, my name is Matthew Barrett, the association’s President and CEO. Thank you for this opportunity to present testimony in Opposition to Section 5 of H.B. No. 5040 (COMM) AN ACT IMPLEMENTING THE GOVERNOR’S BUDGET RECOMMENDATIONS FOR HEALTH AND HUMAN SERVICES**

We are asking the Human Service Committee to make no changes to the nursing staff wage enhancement provisions adopted last in Section 322 of Public Act No. 25-168 emphasizing the adopted law makes no distinction in the nurses that the state legislature directed receive a wage increase.

By way of background, Section 322 of Public Act No. 25-168 provides: “Notwithstanding the provisions of section 17b-340d of the general statutes, the Commissioner of Social Services shall, within available appropriations, increase nursing home facility rates to support wage increases for *nursing (emphasis added)*, nurse's aide, dietary, housekeeping, laundry and maintenance and plant operation personnel of three per cent effective July 1, 2025, three per cent effective July 1, 2026, and four per cent effective January 1, 2027. Facilities that receive a rate adjustment for wage enhancements for employees but do not provide such enhancements may be subject to a rate decrease in the same amount as the adjustment.”

The published Connecticut State Budget for FY 26 and FY 27 does make any distinction in the wage enhancement between nurses performing only direct care functions:

**Support Nursing Home and ICF Union Agreement**

Medicaid	-	-	14,300,000	46,650,000	14,300,000	46,650,000
<b>Total - General Fund</b>	-	-	<b>14,300,000</b>	<b>46,650,000</b>	<b>14,300,000</b>	<b>46,650,000</b>

**Background**

The budget provides related funding of \$34,011,000 in FY 26 and \$66,100,000 in FY 27 under the Department of Developmental Services (DDS) to support the SEIU 1199 agreement. DDS funding provides increases for group home employees.

**Legislative**

Provide funding of \$14.3 million in FY 26 and \$46.65 million in FY 27 to support increases for nursing homes and intermediate care facilities for individuals with intellectual disabilities (ICFs).

Funding reflects a rate add-on to support wage increases for certain employees of nursing homes, effective 7/1/25 (3%), 7/1/26 (3%), and 1/1/27 (4%). FY 27 funding also includes a \$5 million pool (state share) from which nursing facilities may receive a one-time

Department of Social Services

Human Services

Account	Governor Recommended		Legislative		Difference from Governor	
	FY 26	FY 27	FY 26	FY 27	FY 26	FY 27

supplemental payment to promote workforce retention for nursing facilities offering high standards of health and retirement benefits. The FY 28 supplemental pool is capped at \$27.5 million (state share).

For ICFs, FY 26 funding supports a 1.4% increase over the calculated rate, and FY 27 funding supports a 2.8% rate increase. FY 28 increases will occur effective 7/1/27 (3%) and 1/1/28 (3%).

After considering the federal share, facilities will receive up to approximately \$28.6 million in FY 26 and \$93.3 million in FY 27.

Sections 332-336 of PA 25-168, the FY 26 and FY 27 Budget, are related to this change.

**Source: Connecticut State Budget FY 26 and FY 27 (Office of Fiscal Analysis), See [https://www.cga.ct.gov/ofa/Documents/year/BB/2025BB-20250827\\_FY%2026%20and%20FY%2027%20Connecticut%20Budget.pdf](https://www.cga.ct.gov/ofa/Documents/year/BB/2025BB-20250827_FY%2026%20and%20FY%2027%20Connecticut%20Budget.pdf) .**

A letter to both Connecticut nursing homes home associations received on June 18, 2025 indicates the intent of the adopted wage enhancement to “strengthen the industry, deliver higher wages and economic security to nursing home employees, and improve the quality of care for residents” and provides no distinction between eligible nurses and no mention of a distinguishing provision in a “settlement agreement” between the Executive Branch and SEIU.

**See <https://portal.ct.gov/dss/-/media/departments-and-agencies/dss/medicaid-nursing-home-reimbursement/nursing-home-assoc-settlement-letter-61825-final.pdf>**

Later in July 2025, an agency webinar presentation to all Connecticut nursing homes announced that only “direct care nursing” would be eligible for pay increases adopted by the full Connecticut general assembly:

## PUBLIC ACT 25-168 SEC. 332

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Nursing home rates will increase based on a percentage increase to the following salary and wage categories:

- Direct Care Nursing, Nurse's Aide, Dietary, Housekeeping, Laundry, and Maintenance and Plant Operations
- Increases must be used to support staff wage increases

Rate increases are as follows:

- July 1, 2025 3%
- July 1, 2026 3%
- Jan. 1, 2027 4%

**Source: (July 2025) <https://portal.ct.gov/dss/-/media/departments-and-agencies/dss/medicaid-nursing-home-reimbursement/final-sfy26-webinar-ct-nursing-home-strike-agreement-rate-increases.pdf>**

It's accurate that nursing home operators from across the state, as is their right, appealed the rates issued shortly thereafter from the nursing exclusion in the rate-setting formula. And while the initial rates issued by the agency over the summer didn't include all nurses, earlier in February 2026, the rates were reissued in alignment with the adopted statute to include the excluded nurses and rates increased for this purpose, while appealing nursing homes were requested to settle their appeals with the agency.

This is no windfall for the nursing homes. These wage enhancement dollars pass directly to the staff.

Section 5 of HH 5040, if passed, will mean only licensed nurses who are "*engaged solely in direct patient care services and supports and not employed in administrative functions*" will receive raises. This will exclude a large number of hardworking nursing home nurses who may perform some level, even minor levels of administration work, even as they also perform direct care services for nursing home residents.

Specifically, from a summary of the bill:

"Section 5 clarifies nursing increases under nursing home settlement are for direct care only. The nursing home agreement with 1199 SEIU provides for wage increases (and associated benefits) for employees in the staffing categories of registered nurse, licensed practical nurse, nurse's aides, dietary, housekeeping, laundry, and maintenance and plant operation personnel. In alignment with the agreement, the enacted budget included funding to support the cost of the agreement based on the expectation that the increases would be limited to staff providing direct care services and support. DSS, however, has received rate appeals from numerous nursing homes seeking increases for registered nurses and licensed practical nurses that serve in

administrative roles. This bill clarifies the intent of the wage enhancement program and its focus on staff providing direct care services and support and will help to ensure the costs of the agreement do not exceed the funding appropriated for this purpose.”

**<https://portal.ct.gov/governor/-/media/office-of-the-governor/2026-legislative-proposals/hb-5040-hhs-implementer.pdf?rev=713afd13911946b5a4886b9f213c9e25&hash=7A871349BF57D22A4790BD56B74EA8AA>**

It is fair and equitable that all nurses continue to receive the wage increase adopted by the Connecticut General Assembly last session. We are asking the Human Services to take no action on this measure for this reason.

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