



March 03, 2026

Testimony of the Connecticut Association of Health Care Facilities / Connecticut Center For Assisted Living (CAHCF/CCAL) before the Human Services Committee in Opposition

On behalf of the Connecticut Association of Health Care Facilities / 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 on **S.B. 328 (COMM) AN ACT REQUIRING NURSING HOMES TO SPEND NOT LESS THAN EIGHTY PER CENT OF REVENUES ON DIRECT PATIENT CARE.**

Mandating 80% of Medicaid, Medicare and Private Pay Funding on Direct Care is Effectively an Unfunded State Mandate

S.B. 328, beginning July 1, 2026, would require Connecticut nursing homes spend eighty per cent or more of funding from Medicaid, Medicare and all other payment sources on direct care of residents. The bill also authorizes the Department of Social Services (DSS) to adjust the percentage spent on direct care for a nursing home facility with an approved capital improvement project or a fair rent increase. Beginning July 1, 2028, the bill authorizes DSS to decrease rates of Medicaid reimbursement for any nursing home that does not comply with these provisions. The bill defines "direct care" as "hands-on care provided to a facility resident by nursing personnel, including, but not limited to, assistance with feeding, bathing, toileting, dressing, lifting or moving residents, medication administration and salary, fringe benefits and supplies related to direct care; and (B) "nursing personnel" means an advanced practice registered nurse, licensed pursuant to

chapter 378, a registered nurse or practical nurse, licensed pursuant to chapter 378, or a nurse's aide, registered pursuant to chapter 378aⁱ.

There are five costs categories with allowable cost maximums in the Medicaid rates: 1. Direct - Nursing and nurse aide personnel salaries, related fringe benefits and nursing pool costs. 2. Indirect - Professional fees, dietary, housekeeping, laundry personnel costs and expenses and supplies related to patient care. 3. Administrative and General - Maintenance and plant operation expenses, and salaries and related fringe benefits for administrative and maintenance personnel. 4. Property (Fair Rent) - A fair rental value allowance is calculated to yield a constant amount each year in lieu of interest and depreciation costs. 5. Capital Related - Property taxes, insurance expenses, moveable equipment leases and moveable equipment depreciation. We are opposed to this provision because all five of the cost components used in setting nursing home rates are essential and mandating 80% of all funding be spent on direct care would unsatisfactorily leave only 20% of the overall funding for all other nursing homes services and supports. This is effectively an unfunded state mandate.

For these reasons, CAHCF urges no action on S.B. No. 328. Thank you

For additional information on this testimony, please contact Matthew Barrett, President and CEO of CAHCF/CCAL, at mbarrett@cahcf.org.

ⁱ *Note the definition of direct does not align with the 2024 CGA revised definition of direct care in 19a-563h(a): “(a) As used in this section, “direct care” means hands-on care provided by a registered nurse, licensed pursuant to chapter 378, licensed practical nurse, licensed pursuant to chapter 378, or a nurse's aide, registered pursuant to chapter 378a, to residents of nursing homes, as defined in section 19a-563, including, but not limited to, assistance with feeding, bathing, toileting, dressing, lifting and moving, administering medication, promoting socialization and personal care services, but does not include food preparation, housekeeping, laundry services, maintenance of the physical environment of the nursing home or performance of administrative tasks.”*