

CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

Written testimony of Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), Inc. Re: H.B. No. 6987 (RAISED) AN ACT CONCERNING VARIOUS REVISIONS TO THE PUBLIC HEALTH STATUTES

Good afternoon Senator Gerratana, Representative Ritter and to the members of the Public Health Committee. My name is Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), our state's one hundred and sixty-member trade association of skilled nursing facilities and rehabilitation centers ("SNF"). Thank you for this opportunity to offer testimony this afternoon concerning H.B. No. 6987 (RAISED) AN ACT CONCERNING VARIOUS REVISIONS TO THE PUBLIC HEALTH STATUTES

Section 1 of H.B. No. 6987 (RAISED) AN ACT CONCERNING VARIOUS REVISIONS TO THE PUBLIC HEALTH STATUTES

This section pertains to the technical fee charged by the Department of Public Health ("Department") for construction or renovation plan review submitted by skilled nursing facilities. Currently, the technical fee is \$565 or one quarter of 1% of project costs when the project exceeds \$1 million. This section proposes a change that would base the calculation of the technical fee on the total construction cost as opposed to the total project cost, which often include furnishings, appliances and lighting fixtures that are not part of the technical review. This is a positive change for providers. To clarify the language of the bill, CAHCF recommends that following substitute language:

The commissioner shall charge a fee of five hundred sixty-five dollars for the technical assistance provided for the design...when the construction cost of such project is one million dollars or less and shall charge a fee of one-quarter of one percent of the total construction cost [current proposed language] when the construction cost of such project is more than one million dollars.

The proposed substitute would correctly base the .025% fee on total construction costs as opposed to project costs to exclude things like furnishings etc. that by the Department's own admission are not involved in the technical review. Therefore, the threshold for determining the fees should also be based on construction costs, not project costs. For example, under the proposed substitute, a SNF who contemplates a renovation project with a total cost of 1.5 million of which \$600,000 is furnishings would pay the department a technical fee of \$2250 (.25% of \$900,000). However, a renovation project totaling \$950,000 all of which is construction costs would only pay \$565. It seems minor, but if a facility renovation exceeds the \$1 million threshold solely due to non-construction costs, it should be permitted to pay the lower technical fee of \$565.

Thank you for this opportunity to submit testimony. For additional information on this testimony, please contact Matthew Barrett at 860-290-9424 or mbarrett@cahcf.org.