

# CAHCF/CCAL

Connecticut Association of Health Care Facilities  
Connecticut Center for Assisted Living

**February 25, 2020**

**Written testimony of Matthew V. Barrett, President and CEO of the Connecticut Association of Health Care Facilities / Connecticut Center For Assisted Living (CAHCF/CCAL) Concerning:**

**H.B. No. 5235 (RAISED) AN ACT CONCERNING NURSING FACILITY REIMBURSEMENT.**

Good afternoon Senator Moore, Representative Abercrombie and to the distinguished members of the Human Services Committee. My name is Matt Barrett. I am President and CEO of the Connecticut Association of Health Care Facilities / Connecticut Center For Assisted Living (CAHCF/CCAL). CAHCF/CCAL is a one hundred and fifty member trade association of skilled nursing facilities and assisted living communities.

Thank you for this opportunity to offer comments H.B. No. 5235 (RAISED) AN ACT CONCERNING NURSING FACILITY REIMBURSEMENT and to urge a substitute version of the bill be adopted by the committee. This is very important nursing home legislation introduced at the request of the Department of Social Services because it sets forth the statutory framework by which nursing home rates will be established from July 1, 2020 and into the foreseeable future. In this regard, a significant body of nursing home rate-setting law found at 17b-340 of the general statutes will no longer be applicable in the setting of rates on and after July 1, 2020.

CAHCF/CCAL will continue a diligent review of this comprehensive and significant legislation. We have the following comments for a substitute version of the bill at this time:

The bill does not address the periodic rebasing of Medicaid nursing home rates that is now found in 17b-340(f)(8) of the general statutes. Therefore, we recommend a rebasing provision as follow be included in a substituted version of the bill and added in Section 1 after line 57 of HB 5253 (LCO No. 1164):

(7) On and after July 1, 2020, costs shall be rebased no more frequently than every two years and no less frequently than every four years, as determined by the commissioner.

Similarly, an inflation factor to the rates, which has been a component of 17b-340(f) (7) is also not addressed in Section 1. With the understand that inflationary increases must also be included as a feature of the corresponding adopted Connecticut state budget (Appropriations Act), the law must provide guidance on how inflation is computed for the purposes of the rates. Therefore, we recommend the following be included in a substitute bill in Section 1:

(8) For the fiscal year ending June 30, 2021, allowable operating costs, excluding fair rent, shall

be inflated using the Regional Data Resources Incorporated McGraw-Hill Health Care Costs: Consumer Price Index (all urban). - For the fiscal year ending June 30, 2021, and any succeeding fiscal year, allowable fair rent shall be those reported in the annual report of long-term care facilities for the cost year ending the immediately preceding September thirtieth. The inflation index to be used pursuant to this subsection shall be computed to reflect inflation between the midpoint of the cost year through the midpoint of the rate year.

CAHCF/CCAL also recommends that state regulations be adopted to implement the policy details of the case mix reimbursement payment methodology and to implement the additional provisions contained in a substitute version of this bill. We are opposed to provisions that would allow implementation of these major revisions to nursing home payment policies under policies and procedures pending the adoption of final regulations. We believe nursing home policies of this level of importance should include adopted state regulation prior to implementation of policy revisions. Authorizing and expedited policy implementation prior to the adoption of state regulations has been permissible where compliance with federal mandates and implementation of state budget savings have been urgent. However, these circumstances are not present in case mix policy implementation given that there is no federal policy mandate or state budget savings. Therefore, in Section 1, beginning on line 266, we recommend substitute language that would require the agency to adopt regulations to implement that the substantial changes to the rates that will be authorized with the adoption of HB 5235.

(b) The Commissioner of Social Services shall adopt regulations in accordance with the provisions of chapter 54 to implement the provisions of this Act [specify other allowable services. For purposes of this section, other allowable services means those services required by any medical assistance beneficiary residing in such home or hospital which are not already covered in the rate set by the commissioner in accordance with the provisions of subsection (a) of this section.]

Further, we do not recommend that the agency be given the authority to implement changes in nursing home rate setting policy of this magnitude under draft policies and procedures pending the adoption of state regulation and therefore urge the committee to delete the language beginning on line 272 in a substitute version of the bill: The Commissioner of Social Services may implement policies and procedures as necessary to carry out the provisions of this section while in the process of adopting the policies and procedures as regulations, provided notice of intent to adopt the regulations is published in accordance with the provisions of section 17b-10 not later than twenty days after the date of implementation.

Finally, we recommend a continued and rigorous stakeholder input process that has been as the case mix rates are further developed and implemented and appreciate the opportunity for input has thus far been provided under the leadership of DSS Commissioner Deidre Gifford. Therefore, we urge the committee to delete the provision in the bill, beginning on line 8 in Section 1, which would

repeal the existing requirement that the agency to “consider recommendations of the nursing home industry.”

Thank you once more for opportunity to comment on this important legislation. As the bill moves forward, we are asking for chance to provide more detailed comments and would be happy to participate in a workgroup with all the interested stakeholders on a substitute version of the bill.

I would be happy to answer any questions you may have.

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