



February 23, 2023

Written testimony of Matt Barrett, President and CEO, Connecticut Association of Health Care Facilities and the Connecticut Center for Assisted Living (CAHCF/CCAL) Concerning the Governor's Recommended SFY 2023 Budget Revisions for Connecticut Nursing Homes

Good evening, Senator Osten, Representative Walker and to the members of the Appropriations Committee. My name is Matt Barrett. I am President and CEO of the Connecticut Association of Health Care Facilities and the Connecticut Center for Assisted Living (CAHCF/CCAL). Thank you for this opportunity to testify in support of the Governor's Recommended SFY 2023 Budget Revisions for Connecticut Nursing Homes and to offer additional observations concerning the pandemic-related staffing shortages and the implications for Connecticut nursing homes. CAHCF/CCAL is a trade association of one-hundred and fifty member nursing homes and assisted living communities. Our members from across the state have also submitted written testimony to the committee and a dozen or so have registered to testify at today's important public hearing to discuss their extraordinary experiences during the pandemic and the unprecedented staffing shortages they currently face.

It would be quite unimaginable to think of where our long-term care community would be were it not for the help provided by Governor Lamont and the support of the Connecticut General Assembly in so many ways during the public health emergency, especially the critically important financial support provided last session to increase rates by 4.5% for a staff wage enhancement.

The Governor's SFY 2023 budget recommendation continues to support nursing home employee recognition, recruitment and retention initiatives, such as a second 4.5% wage enhancement effective July 1, 2022. The SFY 2023 budget recommendation also includes additional investments that will pass through to employees for enhancements to pension and health care benefits. And the budget provides new resources to begin a three-year phase-in implementation of a Medicaid acuity-based payment system with rebased rates. We urge your continued support for these initiatives.

However, severe staffing shortages caused by the elongated pandemic is hindering admissions, increasing labor costs and slowing the occupancy recovery for Connecticut nursing homes while the expanded use of nursing home staffing pool agencies are worsening the situation. A number of factors related to the ongoing pandemic explain the significant labor-related costs increases. First, the relentless pandemic has destabilized the health care workforce---many have left the sector in favor of equal or better paying work in other less challenging non-health care environments, and new recruits have been reluctant to take on this critically important work. A new infusion of resources is needed to bolster pay for these critically importer health care workers. Many employees believe the slated 4.5% wage enhancements are lost to 7% consumer inflation now the norm.

Second, accountability, continuity of care and overall quality is suffering as labor prices are soaring for our Connecticut nursing homes due to the practices of nursing pool agencies. Our nursing homes report that they are literally forced to use nursing pool agencies in ever increasing numbers due to the staffing shortages. The consequences are severe for clinical and consistent assignment of care reasons, in addition to the unfunded escalating costs being experienced. Moreover, nursing home

report that nursing pools routinely hire away staff from the nursing homes and sell them back to the nursing homes are many times the costs. It is completely proper for the state to curtail these practices given that the state is paying for the majority of care in our nursing homes in the Medicaid program.

Nursing homes from across the state are reporting are reporting unfunded labor-related costs increases---some as high as a 35% increase, which is beyond the ability of our nursing homes to absorb. The ongoing and recent support of the state has been a lifeline in addressing the financial instability of the sector due to low and recovering nursing home occupancy, however, these important resources do not address the significant labor-related costs increases now being experienced. We look forward to working with Executive Branch and the Connecticut General Assembly on addressing these issues this session.

Thank you.

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