



Connecticut Association of Health Care Facilities
Connecticut Center for Assisted Living

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Written testimony of Matthew V. Barrett, President/CEO of the Connecticut Association of Health Care Facilities and the Connecticut Center For Assisted Living (CAHCF/CCAL) on H.B. No. 5194 (RAISED) AN ACT CONCERNING REGISTRATION OF TEMPORARY NURSING SERVICES AGENCIES.

Good morning Senator Miller, Representative Garibay, and to the distinguished members of the Aging Committee. My name is Matt Barrett. I am the President and CEO of the Connecticut Association of Health Care Facilities (CAHCF), a state trade association and advocacy organization of one-hundred and sixty skilled nursing facilities and assisted living communities. Thank you for this opportunity to testify in support H.B. No. 5194 (RAISED) AN ACT CONCERNING REGISTRATION OF TEMPORARY NURSING SERVICES AGENCIES.

H.B. No. 5194 would require the Commissioner of Public Health to develop a system by October 1, 2022 that allows a temporary nursing services agency that provides services in the state to register annually, for a fee of up to \$750, with the Department of Public Health (DPH). Further, the bill would prohibit any such temporary nursing services agency from providing services in Connecticut unless it is registered under this process by January 1, 2023.

DPH would be required to adopt regulations to establish requirements for a temporary nursing services agency, including, but not limited to: (1)

Minimum qualifications for nursing personnel provided by such agency, and (2) annual reporting by the agency to DPH (A) average daily fees charged by the agency to a health care facility by type of nursing personnel, and (B) percentage of fees retained by the agency after salaries are paid to nursing personnel.

Finally, the proposed bill includes a number of important definitions, as follows:

(1) "health care facility" means a hospital or nursing home facility as those terms are defined in section 19a-490 of the general statutes,

(2) "fixed-term nursing services" means services provided under contract for not less than ninety consecutive days exclusively to a health care facility by nursing personnel (A) whose permanent residence is at least two hundred miles from the health care facility, and (B) who establish a temporary residence and incur expenses for temporary accommodations paid for by a temporary nursing services agency,

(3) "nursing personnel" means an advanced practice registered nurse, a licensed practical nurse, or a registered nurse licensed or issued a temporary permit to practice pursuant to chapter 378 of the general statutes or a nurse's aide registered pursuant to chapter 378a of the general statutes,

(4) "temporary nursing services" means services provided to a health care facility on a per diem or other temporary basis but does not include fixed-term nursing services, and

(5) "temporary nursing services agency" means any person, firm, corporation, partnership or association that is engaged for hire in the business of procuring or providing temporary nursing services to a health care facility.

We support the registration provision in H.B. No. 5194, however we believe that much more is needed to curtail the pricing practices of temporary nursing service agencies in Connecticut. We understand the Aging Committee may also consider legislation this session concerning temporary price controls of such agencies, and we would encourage that legislation as well

As background, severe staffing shortages caused by the elongated pandemic are hindering nursing home 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 with registration and limitations on fees 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.

For these reasons, CAHCF is urging more detailed legislation that would require the Department of Social Services shall to annually limit or cap the rates for service provided by temporary nursing service agencies. In this approach, there would be separate rate caps for registered nurses, licensed practical nurses and certified nursing assistants. The rates would include an allowance for wages, payroll taxes, workers compensation insurance, training and fringe benefits, which would be based upon, and not exceed, median wages, payroll taxes and fringe benefits paid to permanent medical personnel of the same type at Nursing Facilities in the same geographic region. The rates would also include an allowance for reasonable administrative expenses and a reasonable profit factor, but the allowance could not exceed a 15% margin.

For the period beginning July 1, 2022, or upon passage of the Act, whichever is earlier, and ending June 30, 2023, we would recommend that the rates be set in statute as follows: \$30.00 for a CNA, \$45 for an LPN, and \$60 for an RN.

Thank you again for this opportunity to testify on the bill as drafted. I would be happy to answer any questions you may have.

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