

# CAHCF/CCAL

Connecticut Association of Health Care Facilities  
Connecticut Center for Assisted Living

**March 8, 2022**

**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) in support of H.B. No. 5313 AN ACT CONCERNING TEMPORARY PRICE CONTROLS ON SERVICES PROVIDED BY 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. 5313 AN ACT CONCERNING TEMPORARY PRICE CONTROLS ON SERVICES PROVIDED BY TEMPORARY NURSING SERVICES AGENCIES.

H.B. No. 5313 would require the Commissioner of Social Services (DSS), in consultation with the Commissioner of Public Health, to establish the maximum rates nursing pool agency may charge a nursing facility by type of nursing personnel provided. For the period beginning September 15, 2022, and ending on June 30, 2023, the rates per hour could not exceed thirty dollars for a registered nursing assistant, forty-five dollars for a licensed practical nurse and sixty dollars for a registered nurse. The bill allows DSS to set higher rates for certain fixed-term employees who work exclusively at a nursing facility under a contract under ninety days.

The proposed legislation requires DSS to adopt regulations to set maximum rates for nursing pool agency services for the period beginning July 1, 2023 and authorizes rates by geographic region. The bill specifies that rates must include an

allowance for wages, payroll taxes, workers' compensation insurance, training and fringe benefits no higher median wages, payroll taxes and fringe benefits paid to permanent staff nursing personnel of the same type at nursing facilities in the same geographic region. The bill requires rates include an allowance for reasonable administrative expenses and a reasonable profit factor for a nursing pool agency, but the administrative expenses or profit factor must not exceed fifteen per cent.

Under the legislation, starting July 1, 2023, nursing pool agencies would be required to submit to DSS annual cost reports, which may be subject to audit, that include data on wages paid and benefits provided to nursing personnel. On and after July 1, 2024, the commissioner shall consider such reports and annual cost reports, provided by nursing facilities to the commissioner pursuant to section 17b-340 of the general statutes, when adjusting maximum rates nursing pool agencies may charge such facilities for nursing personnel.

H.B. No. 5313 would also 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 with the Department of Public Health (DPH), and 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. These provisions are similar to the provisions contained in H.B. No. 5194, legislation also under consideration in the Aging Committee, which we support.

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 adoption of H.B. No. 5313. We do recommend accelerating the initial rate limitations as follow: 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.

***For additional information, contact: Matt Barrett, [mbarrett@cahcf.org](mailto:mbarrett@cahcf.org) or 860-290-9424.***

