

CAHCF/CCAL

Connecticut Association of Health Care Facilities
Connecticut Center for Assisted Living

March 18, 2022

WRITTEN TESTIMONY OF MATT BARRETT, PRESIDENT/CEO OF THE CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES AND THE CONNECTICUT CENTER FOR ASSISTED LIVING (CAHCF/CCAL) ON H.B. NO. 5463 AN ACT CONCERNING THE AUTHORITY OF THE OFFICE OF THE ATTORNEY GENERAL TO BRING AN ACTION AGAINST A SELLER WHO ENGAGES IN PRICE GOUGING DURING A DISASTER OR EMERGENCY.

Senator Winfield, Representative Stafstrom, distinguished members of the Judiciary Committee, my name is Matt Barrett, President and CEO of the Connecticut Association of Health Care Facilities and the Connecticut Center for Assisted Living (CAHCF/CCAL), a state trade association and advocacy organization of one-hundred and fifty skilled nursing facilities and assisted living communities. Thank you for this opportunity to submit written testimony on H.B. No. 5463 AAC THE AUTHORITY OF THE OFFICE OF THE ATTORNEY GENERAL TO BRING AN ACTION AGAINST A SELLER WHO ENGANGES IN PRICE GOUGING DURING A DISASTER OR EMERGENCY.

H.B No. 5463 addresses the enforcement authority of the Office of the Attorney General in price gouging matters related to goods, but not services, and provides that "no seller shall sell, rent or lease, or offer to sell, rent or lease any item within the chain of distribution for an amount that represents an unconscionably excessive price at any location in an area which is the subject of any precipitating event." "Unconscionably excessive price" is defined in the bill to mean (A) there is a gross disparity between the price for which an item was sold, rented or leased immediately prior to the precipitating event or when the precipitating event was reasonably anticipated, and the price for which such item is being sold, rented or leased during the period in which such precipitating event is in effect, and (B) the amount charged by the seller is not attributable to additional costs incurred by the seller in connection with the sale, rental or lease of an item.

We support the proposed legislation and recommend that its scope be expanded to include price gouging in the area of "services and unconscionable fees" that have also been experienced due to the

elongated public health emergency. The unconscionably excess prices related to only goods in the proposed bill are also being experienced in Connecticut long term care settings in the excessive fees charged by temporary nursing staffing agencies for services such agencies are providing to Connecticut's skilled nursing facilities during the public health emergency. Connecticut nursing homes believe these unconscionable fees take advantage of the public health emergency and are causing significant harm to our state's efforts to address the consequences of the COVID-19 pandemic in our state's nursing homes and other long term care settings.

Connecticut nursing facilities are reporting that accountability, continuity of care and overall quality is suffering as labor prices are excessively soaring for our Connecticut nursing homes due to the practices of temporary nursing pool agencies. Nursing homes report that they are literally forced to use nursing pool agencies in ever increasing numbers due to the statewide staffing shortages, and that they are forced to pay excessive fees for these services. 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, we urge the committee to amend the bill to include these types services and fees in the scope and reach of the legislation.

For additional information, contact: Matt Barrett, mbarrett@cahcf.org or 860-290-9424.

