



**February 21, 2024**

**Testimony of Matt Barrett, President and CEO of the Connecticut Association of Health Care Facilities / Connecticut Center For Assisted Living (CAHCF/CCAL).**

**THE GOVERNOR'S MIDTERM BUDGET RECOMMENDATIONS FOR HEALTH AND HUMAN SERVICES FOR SFY 2025**

Senator Osten, Representative Walker and 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).

As the committee carefully evaluates the needs all of our state's constituencies and communities in the developing midterm budget adjustment, we once more ask you to also consider the needs of Connecticut's skilled nursing facilities in your deliberations.

Unfortunately, the midterm budget recommendation for SFY 2025 continues the policy of eliminating skilled nursing facility statutory inflationary Medicaid rate increases adopted in last session's biennial budget. For SFY 2025, the state share of this reduction is \$96.4 million. When adding the loss of associated federal revenue at the 50% federal match rate, the overall reduction is \$192.8 million. See the excerpt below from the adopted SFY 2024 and SFY 2025 adopted budget.

Providing these inflationary increases at this time is critically important to Connecticut's skilled nursing facilities given the extraordinary inflation, escalating staffing related costs and dramatically rising temporary nurse staffing agency fees that providers continue to experience. Several skilled nursing facilities are providing testimony at today's hearing, and dozens more are submitting written testimony to underscore that existing Medicaid rates are clearly falling considerably behind these escalating costs.

## Adopted Budget FY 24 and FY 25

### Adjust Funding for Statutory Rate Increases

Medicaid	(37,800,000)	(63,700,000)	(37,800,000)	(63,700,000)	-	-
Old Age Assistance	(2,250,000)	(3,860,000)	(2,250,000)	(1,582,459)	-	2,277,541
Aid To The Blind	(32,000)	(51,100)	(32,000)	(20,879)	-	30,221
Aid To The Disabled	(2,090,000)	(3,410,000)	(2,090,000)	(1,396,662)	-	2,013,338
<b>Total - General Fund</b>	<b>(42,172,000)</b>	<b>(71,021,100)</b>	<b>(42,172,000)</b>	<b>(66,700,000)</b>	<b>-</b>	<b>4,321,100</b>

#### Governor

Reduce funding by \$42,172,000 in FY 24 and \$71,021,100 in FY 25 to reflect the elimination of statutorily required rate increases for nursing homes (\$35.9 million in FY 24 and \$60.5 million in FY 25), intermediate care facilities for individuals with developmental disabilities (ICF-IDDs, \$1.9 million in FY 24 and \$3.2 million in FY 25), as well as residential care homes (RCHs) and rated housing facilities (\$4,372,000 in FY 24 and \$7,321,100 in FY 25).

#### Legislative

Reduce funding by \$42,172,000 in FY 24 and \$66.7 million in FY 25 to reflect the elimination of statutorily required rate increases for nursing homes (\$35.9 million in FY 24 and \$60.5 million in FY 25) and intermediate care facilities for individuals with developmental disabilities (ICF-IDDs, \$1.9 million in FY 24 and \$3.2 million in FY 25). In addition, funding is reduced by \$4,372,000 in FY 24 and \$3 million in FY 25 to reflect a delay in statutorily required rate increases for residential care homes (RCHs) and rated housing facilities until FY 25.

Connecticut nursing facilities are working collaboratively with state policy makers on a full range of oversight and rate reforms set in motion since the public health emergency, such as a new case mix based payment associated with the acuity of the resident population, new transparency provisions and ownership disclosure requirements adopted last session, the development of a value based payment system, and we have been stakeholders in the ongoing work of the Department of Social Services Excess Bed Capacity Work Group.

However, the foundational issue of an underlying inflationary adjustment in the Connecticut State Budget remains unaddressed.

Thank you for your consideration, and I would be happy to answer any questions you may have.

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