



Testimony to the Human Services Committee

Submitted by Mag Morelli, President of LeadingAge Connecticut

March 5, 2020

Regarding

House Bill 5015, An Act Concerning the Governor's Budget Recommendations for Human Services

[LeadingAge Connecticut](#) is a statewide membership organization representing not-for-profit provider organizations serving older adults across the continuum of aging services, including not-for-profit skilled nursing facilities, residential care homes, home health care agencies, hospice agencies, adult day centers, assisted living communities, senior housing and life plan communities. On behalf of LeadingAge Connecticut I am pleased to submit testimony on *House Bill 5015, An Act Concerning the Governor's Budget Recommendations for Human Services*.

While the bill before you today is very limited in scope, we wanted to bring to the Human Services Committee's attention the testimony provided by LeadingAge Connecticut to the Appropriations Committee earlier this session regarding elements of the Governor's budget recommendations that will impact Medicaid funded aging services, as well as additional Medicaid funding that we would like to see included in the budget adjustments.

The topics addressed in the testimony include:

- **A request to fully fund the acuity-based, case-mix adjusted nursing home reimbursement system that is currently being developed by the Department of Social Services.** We are requesting that additional funding be included in the budget to meet the anticipated funding needs of the new system. We are asking for this because the new system will only meet its intended objectives if it is fully funded. Otherwise, the current funding, which is woefully inadequate, will merely be moved around and reallocated within the new rate system. We fear that quality nursing homes will be negatively impacted by a resulting reduction in their rates while others will not receive nearly enough funding to cover the cost of caring for higher acuity residents.
- **A request for the implementation of an annual rate increase for home and community-based services (HCBS).** We are requesting that the State consider instituting an *annual increase* to the rates for home and community-based services provided within both the Medicaid and the waiver programs. An annual investment in these rates will strengthen the community-based provider network, enable a successful rebalancing of

the long-term services and supports system, and ultimately save the state money. Even if this increase is a small percentage, it will gradually build up the rate structure for this crucial network of providers.

- **Support for the Governor’s proposal to establish a new method of structuring the reimbursement rates for residential care homes** that will separate out the personal care and related services from the daily room and board State Supplement rate and then designate them as Medicaid covered services. This proposal will allow the State to receive federal matching funds on the service portion of the rate. This will be the first time the State will receive any federal funding for these expenditures and twenty-five percent of the State’s savings is promised to be reinvested into the residential care homes. As a representative of the not-for-profit residential care homes that are serving older adults, LeadingAge Connecticut is cautiously optimistic about this proposal. This policy change shows a confidence in this model of community-based living and reaffirms its crucial role in the continuum of aging services. We are hopeful that the ability to access federal funding for the residential care home model will encourage its growth and help existing providers maintain and improve their physical plant, as well as keep up with the costs of providing room, board and services.

Additional information regarding all three of these issues, as well as details on other aspects of Medicaid funding for aging services, is included in the testimony and I have provided the following links to that testimony.

[LeadingAge CT testimony to the Appropriations Committee on Nursing Home Funding and HCBS Funding](#)

[LeadingAge CT testimony to the Appropriations Committee on the New RCH Rate Proposal](#)

Thank you for the opportunity to provide you with this testimony.

Respectfully submitted,

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