



Testimony to the Appropriations Committee

Presented by Lisa Connolly, Vice-Chair of LeadingAge Connecticut

February 19, 2020

HB 5005, An Act Adjusting the State Budget for the Biennium Ending June 30, 2021

Regarding the Governor's Budget Adjustment Proposals Related to the Residential Care Home Rate Structure

Good evening Senator Osten, Representative Walker, and members of the Appropriations Committee. My name is Lisa Connolly and I am the Vice President of Hartford HealthCare Community Network and the Vice-Chair of LeadingAge Connecticut, a statewide membership association representing not-for-profit provider organizations serving older adults across the continuum of aging services. LeadingAge's membership includes eleven not-for-profit residential care homes, including Jerome Home in New Britain which is operated by Hartford HealthCare Community Network.

While LeadingAge Connecticut has submitted written testimony on many topics related to aging services, I would like to focus my comments this evening on the Governor's proposal to restructure the reimbursement rates for Residential Care Homes.

The residential care home setting is both supportive and affordable, and is a setting of choice for many older adults. The homes provide room and board, along with personal care services and limited medication administration. Some residents pay privately, but residential care homes are also covered under the State Supplement for the Aged, Blind and Disabled Program (State Supplement).

The Governor has proposed 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 restructuring will allow the State to receive federal matching funds on the service portion of the reimbursement. 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 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.

We are, however, cautious in our optimism as we do not yet know the details of this new rate structure or what the impact will be on the current reimbursement for existing homes. If necessary, we will ask that safeguards, such as stop-loss provisions, be put in place so that residential care homes are not negatively impacted in the transition.

We will want to know if there will be just one base rate for the services and if additional rates will be offered for individual services such as medication administration. We are also interested in the reinvestment plan for the additional funding and hope to provide input into that decision-making process. And finally, we are aware that many of the providers are small and unfamiliar with the Medicaid billing process and therefore assistance and training in this area would be welcomed.

In conclusion, we look forward to working with the Department of Social Services as they move forward with the design and implementation of this new rate structure. We also encourage the State Legislature to remain involved so as to advocate for the residential care homes and their residents. These homes are an important part of the long-term services and supports continuum and we are hopeful that this new rate structure will provide the additional resources needed to support and expand this affordable community based residential option.

Thank you and I would be happy to answer any questions.



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