



Testimony to the Appropriations Committee

Submitted by Jon Paul Venoit, President and CEO, Masonicare

February 19, 2020

HB 5005, An Act Adjusting the State Budget for the Biennium Ending June 30, 2021 Governor's Budget Adjustment Proposals Related to the Department of Social Services

My name is Jon-Paul Venoit, President and CEO at Masonicare, a full continuum of senior health and retirement living with three retirement communities, a skilled nursing center that includes a two unit senior hospital and a statewide home healthcare and hospice program. We care for nearly 5,000 Connecticut patients and residents a day.

I am submitting the following testimony on the Governor's proposed budget adjustments as they relate to nursing homes and *specifically to request full funding for the state's new, acuity-based Medicaid reimbursement system for nursing homes which is currently being designed by the Department of Social Services.*

Our association, LeadingAge Connecticut, has been supportive of the concept of the new nursing home reimbursement rate system that will add an acuity-based rate component and value-based performance incentives to the reimbursement system, but we are all still awaiting the details. It is our understanding that the State has a target implementation date of July 1, 2020 and it will replace the current cost-based system.

We are urging the state legislature to stay involved in the process. This will be a major change to our reimbursement system and will potentially have a significant financial impact on the nursing home sector. It is therefore vital that we all work together to ensure that quality nursing home care is not disrupted in this transition.

As a non-profit, high quality, well-staffed nursing home, our priority is that the system be fully funded. The new reimbursement system will only work to meet its intended objectives if it is fully funded. In addition, as a provider of home care, residential care and skilled nursing, our Medicaid rates are inadequate to support the ever changing needs of those we serve and continue to serve.

We therefore request that the Committee reserve funding in the budget to meet the funding needs of the new system, the level of which will not be identified until as late as April or May of this year when DSS begins to finalize the financial models of the new system.

We are asking for full funding because this new reimbursement system will only meet its intended objectives if it is fully funded.

- **The current cost-based system has an annual funding shortfall estimated to be between \$90 and 120 million.** This estimate is based on the State's own calculation of the rates utilizing what the State considers to be the allowable costs of providing care.
- This new case-mix system is currently planned to be "budget neutral" - which automatically means it too will be underfunded, but by what level we do not yet know. **There is no additional funding in the current budget for the new system.**
- If we do not increase the current level of funding, the new system will not be allowed to work as designed and will not meet the stated objective of appropriately funding high acuity care. The current funding will just be reallocated within the system, but not at the individual rate levels needed. **As a result, we fear that many quality, well-staffed nursing homes like ours may be negatively affected by not receiving a high enough rate to cover the cost of caring for higher acuity residents.**

We therefore request that the Committee reserve funding in the budget to meet the funding needs of the new system, the level of which will not be identified until as late as April or May of this year when we see the models of the new system.

Thank you for your consideration of this testimony.

Respectfully submitted,

Jon-Paul Venoit, President and CEO

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