

Testimony to the Connecticut Appropriations Committee

Submitted by David V. Hunter, The Mary Wade Home

March 3, 2021

Regarding the Governor's Budget Proposals Related to the Human Services

House Bill 6439, An Act Concerning the State Budget for The Biennium Ending June Thirtieth, 2023, and Making Appropriations Therefor

Senator Osten, Representative Walker, and Members of the Appropriations Subcommittee on Human Services, on behalf of Mary Wade, I respectfully submit the following testimony regarding the Governor's Budget Proposals related to the Human Services.

I am David V. Hunter, the President & CEO of The Mary Wade Home, a nonprofit senior care community located in New Haven. We were founded, and continue serving the community, in our same location 155 years ago, and have developed into a continuum of senior care and home and community-based services, that includes a Skilled Nursing Center with both short term rehab and long term care, a Residential Care Home (RCH), an Adult Day Health Center, Outpatient Rehabilitation Center, Primary Care and a transportation program serving the senior population and families in the Greater New Haven Region who need transportation to and from medical visits and for social needs. We are currently undergoing the construction of 84 units of an Assisted Living and Memory Care building which will be open in the Summer of 2021.

Our entire senior care campus, and particularly the nursing home and Residential Care Home has been through an unparalleled year facing a global pandemic and defending against the Covid-19 virus that targeted the very people we serve. We have worked all seven days weekly, and around the clock to ensure the health and safety of the people we serve – we have no greater priority. The volunteer members of our governing body have participated in myriad meetings with our staff and families to assist in any way possible, while ensuring appropriate governance during a tragic time.

Rooted in our primary mission to deliver high quality care, our nursing home and Residential Care Home continues to provide a supporting, loving home for the people we serve, despite this unrivalled pandemic. But the pandemic is having a detrimental impact on the financial stability our organization. It is not only the additional cost for PPE, staff and wages, but in the lost revenue caused by a drastically reduced census and in particular, the loss of Medicare sub-acute patient stays. The reduction in occupancy is caused by state and federal guidelines to quarantine, which results in us using semi-private rooms as private rooms. Therefore, although we have a licensed capacity of 94, our actual capacity at times is 80 due to federal and state guidelines respect to isolation criteria.

The payor mix is now weighted so heavily toward Medicaid, that there is nowhere to shift the costs of care that are not covered by the inadequate Medicaid rate. This is causing us to operate at a significant deficit and we must rely on the state and federal relief funds we have

received to continue to operate. But they will not be enough. **We need the Medicaid program to address the financial crisis.**

To date we have received a total of \$2.7 million in federal PPP loans, federal HHS provider relief funds, and state Coronavirus Relief Funds. Unfortunately, this has not been enough to continue to cover our lost revenue and increased costs, which has required us to access our Board restricted endowment funds to continue to meet expenses. As of this date, Mary Wade has less than two weeks cash on hand to meet expenses.

We need your help. This is a critical time for nursing homes like us and we need the state to immediately address the Medicaid program's chronic underfunding of nursing homes. Prior to the pandemic, our nursing home was underfunded by the Medicaid rate system by approximately \$75.00 per resident day. As a result of the financial impact of the pandemic, we can no longer sustain this underfunding and we urge you to substantially increase the Medicaid appropriation for the nursing home sector and fully fund the reimbursement system so that quality nursing homes like ours can meet their costs.

The nursing home reimbursement system needs an additional \$135 million to be fully funded.

This funding is especially crucial now as the state plans to transition to a new, acuity-based rate system for nursing home reimbursement. This transition will only be successful in meeting its stated policy goals if the reimbursement system is fully funded.

The pandemic is not over and we will continue to work to deliver high quality care to our residents – but we need your help. Please fully fund the nursing home Medicaid system.

Thank you for your consideration of this testimony.

Respectfully submitted,

David V. Hunter, President & CEO
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