



Testimony to the Appropriations Committee

Submitted by: Patricia Morse, President and CEO

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

On behalf of Pierce Memorial Baptist Home and Rehab facility in Brooklyn, CT, I respectfully submit the following testimony regarding the Governor's Budget Proposals related to the Human Services.

Our not for profit nursing home has been through an unprecedented year in the face of a global pandemic and defending against the Covid-19 virus that targeted the most vulnerable, the very people we serve. We have worked around the clock, seven days a week to ensure the health and safety of the older people we serve – we have no greater priority.

Rooted in our primary mission to deliver high quality care, our nursing home continues to provide a supportive, loving home for the people we serve, despite this unprecedented pandemic. But the pandemic is having an extremely detrimental impact on the financial stability our organization. Initially it was the astronomical, additional cost for Personal Protective Equipment, staff and wages. As our occupancy was dramatically impacted and reduced we experienced lost revenue caused by this drastically reduced occupancy. Most of our rooms are private and the federal and state regulations require us to isolate and quarantine an exposed or COVID positive persons in private rooms on separate wings in the facility. We maintained a percentage of our rooms unoccupied to accommodate this mandate. Additionally, and the greatest negative impact for us is that fewer people have been hospitalized or sought elective surgery and that has dramatically decreased those seeking short term rehabilitation stays which has resulted in the loss of Medicare and Commercial Insurance sub-acute patient revenue.

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 deficit and we have relied on the state and federal relief

funds we have received to continue to operate. In our case, those funds have run out and we do not qualify for the second round of PPP money. **We need the Medicaid program to address the financial crisis immediately.**

To date Pierce Memorial Baptist Home and Rehab has received a total of approximately \$1,672,123 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. We are currently running at a deficit of over \$150,000 per month. In March, when many quarterly payments are due and there are five payrolls we expect a deficit of over \$315,000.

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 \$58.17 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,

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