

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: SB-1109

AN ACT CONCERNING MEDICAID REIMBURSEMENT TO COMMUNITY LIVING ARRANGEMENTS, INTERMEDIATE CARE FACILITIES FOR INDIVIDUALS WITH INTELLECTUAL DISABILITIES, RESIDENTIAL CARE

Title: HOMES AND NURSING FACILITIES.

Vote Date: 3/28/2023

Vote Action: Joint Favorable Substitute Change of Reference to Appropriations

PH Date: 2/28/2023

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

Nursing homes are a key part of the Medicaid program as most nursing homes across the state receive Medicaid funding. Recently, the Department of Social Services (DSS) began the transition from a cost-based methodology to an acuity-based reimbursement system on July 1, 2022. The acuity-based reimbursement system encourages nursing homes to accept residents that need specialized services. This transition allows the continuum of long-term services and supports, modernizing the Medicaid reimbursement system, and providing incentives for admitting patients with higher levels of care. To ensure this transition period is successful, the proposed technical revisions will guarantee Medicaid reimbursements are supporting high-need nursing home residents.

SUBSTITUTE LANGUAGE:

The substitute language removes language prohibiting inflationary rate increase in the year nursing homes and other facilities are rebased. It adds language in conformance with Governor's Health and Human Services bill allowing for increased fair rent reimbursement when funding is appropriated. Allows interim rates in certain circumstances when nursing homes can demonstrate financial impact and costs of circumstances not addressed in rates. Lastly, it prohibits nursing home rate withholds in the next two fiscal years to implement a value-based reimbursement system.

RESPONSE FROM ADMINISTRATION/AGENCY:

Department of Social Services (DSS), Commissioner, Andrea Baton Reeves; supports this bill stating that aligning current Medicaid payment policies through technical revisions will be beneficial for rate-setting purposes. It is stated these adjustments will allow nursing homes to continue to implement the acuity-based reimbursement methodology for admitting and assisting higher-acuity residents. It is stated having fair rent increases will allow nursing homes to make necessary improvements and upgrades. It is also stated providing rebasing after the transition to the acuity-based reimbursement methodology will establish if rates need to be adjusted.

NATURE AND SOURCES OF SUPPORT:

None stated.

NATURE AND SOURCES OF OPPOSITION:

The Arc of Connecticut, Director of Public Policy, Carol Scully; opposes this bill stating the statutory rate increase would be harmful to nonprofit providers of residential services and consumers.

Connecticut Association of Health Care Facilities / Connecticut Center for Assisted Living, President & CEO, Matt Barrett; opposes this bill stating they have concerns about the provisions included and would like to have a further conversation with DSS to learn about their intent and objectives. It is suggested that the state adopt [various recommendations](#) to modernize the rates.

Connecticut Association of Residential Care Homes, President, Tina Yeltz; opposes this bill stating Section 3 will limit inflationary adjustments when rebasing takes place, and without rates being raised, residential care homes are at risk of closing.

CT Community Nonprofit Alliance, Director of Government Relations, Ben Shaiken; opposes this bill stating that due to unprecedented increases in nonprofit service demands, freezing the statutory rate increase will be harmful to nonprofits given workforce shortages and an increase in costs.

NATURE AND SOURCES OF GENERAL COMMENTS:

Leading Age Connecticut, President, Mag Morelli; supports nor opposes this bill and suggests there be further review to ensure all needed changes are included. It is suggested that the rebasing date be changed to an earlier date than the one DSS proposes.

Reported by: David Leal

Date: April 6, 2023