Human Services Committee
JOINT FAVORABLE REPORT

Bill No: HB-5358 / Bill Status / Public Hearing Testimony
Title: AN ACT CONCERNING THE REBASING OF RATES OF REIMBURSEMENT FOR CERTAIN RESIDENTIAL FACILITIES.
Vote Date: 3/19/2026
Vote Action: Joint Favorable Substitute
PH Date: 3/3/2026
File No.: 3431

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SPONSORS OF BILL:

HUMAN SERVICES COMMITTEE

CO-SPONSORS OF BILL:

Rep. Sarah Keitt, 134th District

REASONS FOR BILL:

After many years of flat funding for residential facilities, both Community Living Arrangements (group homes) and Intermediate Care Facilities for Individuals with Intellectual/Developmental Disabilities (ICF/IID), current rates are insufficient to support the services provided resulting in Connecticut agencies being seriously underfunded and unable to sustain the level of care desired for residents of these facilities. Regular resetting, or rebasing, of rates for providers to correct the approach, along with an inflationary adjustment in years when rebasing is not used is essential for maintaining fiscally sound care providers. Evidence is clear this process needs to be done more regularly and in a predictable manner. The bill proposes to change the process.

SUBSTITUTE LANGUAGE (IF APPLICABLE):

Adds ICF rate increases from P.A. 26-1 and deletes "within available appropriations" for new rate provisions.

RESPONSE FROM ADMINISTRATION/AGENCY:

Department of Social Services, Commissioner, Andrea Barton Reeves: Supports this bill that will codify a process of periodic review (every two years) of CLAs and ICFs costs and

state reimbursements similar to the more predictable process currently used with nursing homes. The last rebasing of CLAs was over ten years ago. This process will also ensure that provider costs are accurately reflected to support important resident quality of care costs such as food, room and board, resident supports, and other costs that ensure resident quality of care. Further, it will make technical updates to allow for inflationary adjustments based on the Gross Domestic Product (GDP) deflator when funding is appropriated. Predictable rebasing aligns with the findings of the Medicaid rate study to ensure support of member care and predictable rate setting that aligns with state expenditures.

Connecticut Department of Aging and Disability Services (ADS), Mairead Painter, State LTC Ombudsman: Supports this bill that will strengthen the financial stability and predictability of reimbursement for residential care homes and certain residential facilities that serve individuals who do not require skilled nursing facility level of care. These settings are an essential part of Connecticut's long-term care continuum and ensuring stable reimbursement structures, predictable rebasing schedules, and appropriate inflation adjustments help preserve and grow these options. Financial stability must be paired with continued oversight and strong resident rights protections. Increased reimbursement and predictable rebasing should translate into safe environments, stable staffing, and meaningful quality-of-life supports for residents.

NATURE AND SOURCES OF SUPPORT: NONE SUBMITTED.

NATURE AND SOURCES OF OPPOSITION:

The Alliance, Director of Public Policy and Advocacy, Ben Shaiken: Opposes the bill in its original form. The Alliance supports regular setting (or “rebasing”) of rates for providers, and believes it is the intent of the Department of Social Services to do so more regularly and in a predictable manner. The language proposed in H.B 5358, while well-intentioned, would remove both the statutory protections that require rebasing to include reasonable costs and the providers’ right to appeal their rate determinations. The surest way to ensure providers continue to receive the rate increases to which they are entitled is to maintain that entitlement rather than limiting it to only applying when the legislature has specifically appropriated funds for the purpose of implementing it. They suggest the following changes to the language:

- HB 5358 states rates are automatically rebased biennially, but only “within available appropriations.” Only a specific appropriation will cause them to change, while current law includes the requirement that rates are automatically adjusted annually, unless the legislature affirmatively acts to cancel the adjustment <u>that would limit adjustments and remove the protections in current law</u>.
- HB 5358 gives providers no practical legal right to appeal unless the legislature specifically appropriates funding to raise rates and DSS does not adjust them, <u>removing the current right to appeal</u>.

The Alliance stands ready to work collaboratively with DSS and this Committee to negotiate a legislative solution that enables rates to be regularly rebased while continuing to protect providers’ rights to be reimbursed for the cost of delivering services to the people with disabilities of Connecticut.

Reported by: Rebecca McClanahan **Date: March 26, 2026**