

Infrastructure and Capital Improvement Funding Subcommittee Proposed Recommendations

December 30, 2020

Revised

(Addition: Items 17-23)

Item	Sponsor	Recommendation	Action
1.	Charles Du-1199 <i>(Items 1-5)</i>	Layouts: If new renovations in nursing homes move toward decentralized "neighborhood" layouts with a greater number of common spaces, housekeeping staff must be increased in order to clean and maintain these additional spaces.	
2.		Bed/room reduction: A high percentage of residents in many nursing homes, especially those located in urban areas, are funded through Medicaid. These nursing homes rely on high census numbers to generate enough Medicaid revenue to remain financially viable. Any proposal to reduce the number of beds per room, and thus to reduce census, must take the financial viability of these nursing homes into account. We cannot uniformly reduce beds per room without a concomitant Medicaid rate increase to make up the lost revenue or a waiver from these reductions for nursing homes with a high percentage of Medicaid residents.	
3.		Maintenance work: Maintenance worker staffing levels must be increased. Nursing homes are currently severely understaffed with maintenance workers, resulting in infrastructure that is falling apart and not being properly maintained. We should also create licensure or certification requirements for maintenance workers.	

4.		Renovations/contracting/financing: The state should provide financing mechanisms for renovations and maintenance, especially the maintenance and/or replacement of failing and malfunctioning sprinkler systems, which are a serious issue in many facilities. However, the state must closely analyze and monitor the corporate structure of for-profit nursing home operators in order to prevent self-dealing (e.g., contracting with a related entity to “perform renovations”) and other methods of stealing money meant for renovations and maintenance. The state must ensure that these funds are actually used for their proper purposes, not pocketed by unscrupulous operators.	
5.		Child care in facilities: Nursing homes should provide space to provide child care to employees within the facility. This would provide a significant benefit to nursing home workers and improve the quality of life of residents. Studies have shown that such intergenerational social interaction can have positive impacts on both elders and children.	
6.	Mag Morelli- LeadingAge CT <i>(Items 6-10)</i>	<p><u>Fully fund the current rate system</u> so that nursing homes receive the full amount of the calculated Medicaid rate.</p> <ul style="list-style-type: none"> • For the majority of the nursing homes, the state does not currently pay the full Medicaid rate that is calculated by the state, based on statute and allowable costs. This is due to rates being frozen with the state budgets for several years except for recent increases for staff wages. • If nursing homes were reimbursed a rate to meet their <i>actual costs</i> as determined in their calculated rate through their cost reports, their cash flow would improve and their business and real estate value would be viewed more favorably by financial institutions; therefore, their access to capital would be enhanced. • If the nursing home reimbursement system were fully funded to reimburse for allowable costs, it would enable the sector to 	

		move into the new acuity-based rate system under a healthier financial model.	
7.		<p><u>Establish a policy to allow the recalculation of Medicaid rates</u> when a nursing home voluntarily reduces the number of beds in service.</p> <ul style="list-style-type: none"> • This could include the option of allowing a nursing home to maintain their licensed bed capacity, but to take beds out of service for a temporary period of time or indefinitely until allowed to return them to service. (For example, the home may need to remove beds out of service temporarily during a pandemic or outbreak to accommodate certain room configurations, but then the demand for all the beds may return after the pandemic or outbreak.) 	
8.		<p><u>Establish a forgivable loan program</u> that will allow nursing homes to borrow the necessary funding from the state for certain capital improvements. If the nursing home meets the conditions of completing the improvements, the loan would be forgiven and the cost of the project would not be added into the Medicaid rate as a fair rent component.</p> <ul style="list-style-type: none"> • The program could focus on a variety of resident focused capital improvements such as: <ul style="list-style-type: none"> ▪ Immediate construction, renovation and equipment purchase to implement infection control/Covid related modifications to the physical plant. ▪ Energy efficiency projects. ▪ Replacement or repair of fully depreciated assets. 	
9.		<u>Establish a state loan guarantee program</u> that would put the state's credit rating behind the provider which would then reduce the cost of borrowing for the provider and increase their access to financing.	

		<ul style="list-style-type: none"> • This might be more advantageous to the non-profit provider, but could be accessed by both for-profit and non-profit providers. • The state could set a limit on the total amount they would guarantee each year. • This type of program could be helpful for larger construction or renovation projects. 	
10.		<p><u>Establish a long-term bonding or direct lending program</u> to address non-cosmetic physical plant needs. Such a program could be a revolving loan fund.</p>	
11.	Deputy Commissioner Gilbert	<p>Support nursing homes in developing and executing on plans to reduce all current three- and four-bed room arrangements to a maximum of two beds per room, in support of quality of resident life and also best practices in infection control. Use the existing Certificate of Need process to individually evaluate the need for capital to support renovations that will achieve this result, considering factors including, but not limited to, local bed availability, quality ratings, Medicaid census and financial viability of the involved homes.</p>	
12.	Rep. Hughes <i>(Items 12-16)</i>	<p>Open up bond lock/bonding resources and low-interest capital funding resources for investment in emergency/pandemic resilience improvements through DPH C.O.N. process to implement:</p> <ol style="list-style-type: none"> a. Safe, dementia-friendly outdoor/indoor ‘visitation’ promenades-walkways with even, wide access, with ‘bus-stops’, seating areas, park benches, clubhouses, greenhouses, for safe visitation and regular, daily contact with nature b. HVAC upgrades for recommended air exchange, purchase portable air filtration systems for congregating rooms, clinic rooms, visitation areas 	

		<ul style="list-style-type: none"> c. De-densify (medical model) housing to single-room occupancy upgrades, and offer higher Medicaid reimbursement rates d. Renovate household model congregating and dining areas, so can quarantine/cohort by household group, instead of confining residents to rooms in event of outbreak, to allow social engagement and mobility freedom. e. Digital upgrades and broadband to access remote visitation, telehealth, communication. Offer low tech/high tech continuum capacity, according to personal need and preference. 	
13.		Offer priority investment opportunities for public financing of upgrades for facilities that exceed staffing minimums and invest in long-term care workforce, (benefits and retention), rewarding person-centered and staff-centered care communities with low-cost, long-term financing for capital upgrades for pandemic resiliency. Offer 'circuit-breaker' financing resources to facilities that maintain depreciation maintenance scheduling, upgrades and transparency with financial operations, especially during low-census periods.	
14.		Support/resource creative, accessible solutions to improve resident experiences, i.e., annex units to store PPE, portable digital no-touch communication devices for each household/wing, low-cost annex community open-air 'clubhouse' with healthy heating options for winter use, CARES Act funding reimbursement;	
15.		Make long-term care facility infrastructure funding part of CT infrastructure funding package, with federal capital dollars, state capital dollars and private equity investment	
16.		Conduct an Infrastructure Needs mapping across CT LTC facilities, to identify outdated, failing systems and develop strategic investment/Capital plan.	

17.	Sen. Formica (Items 17-23)	Investigate payment assistance program for capital using Medicaid match	
18.		Investigate if CON calculations should be updated or modified	
19.		Balance NH rate of return to Medicaid Index	
20.		For every minimum wage increase, increase corresponding % of NH reimbursement	
21.		Does any of the funding formulas increase to pay capital costs directly based on a bed reduction program	
22.		Install air purification systems where HVAC system replacement is not achievable	
23.		Compliment adequate HVAC systems w targeted placement of air purification	