



House of Representatives

General Assembly

File No. 377

January Session, 2003

House Bill No. 6116

House of Representatives, April 15, 2003

The Committee on Human Services reported through REP. VILLANO of the 91st Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT PROVIDING FOR A FINANCIAL INCENTIVE TO PRIVATE OWNERS OF COMMUNITY GROUP HOMES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 17b-244 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2003*):

3 (a) The room and board component of the rates to be paid by the
4 state to private facilities and facilities operated by regional education
5 service centers which are licensed to provide residential care pursuant
6 to section 17a-227, but not certified to participate in the Title XIX
7 Medicaid program as intermediate care facilities for persons with
8 mental retardation, shall be determined annually by the Commissioner
9 of Social Services, except that rates effective April 30, 1989, shall
10 remain in effect through October 31, 1989. Any facility with real
11 property other than land placed in service prior to July 1, 1991, shall,
12 for the fiscal year ending June 30, 1995, receive a rate of return on real
13 property equal to the average of the rates of return applied to real

14 property other than land placed in service for the five years preceding
15 July 1, 1993. For the fiscal year ending June 30, 1996, and any
16 succeeding fiscal year, the rate of return on real property for property
17 items shall be revised every five years. The commissioner shall, upon
18 submission of a request by such facility, allow actual debt service,
19 comprised of principal and interest, on the loan or loans in lieu of
20 property costs allowed pursuant to section 17-313b-5 of the regulations
21 of Connecticut state agencies, whether actual debt service is higher or
22 lower than such allowed property costs, provided such debt service
23 terms and amounts are reasonable in relation to the useful life and the
24 base value of the property. In the case of facilities financed through the
25 Connecticut Housing Finance Authority, the commissioner shall allow
26 actual debt service, comprised of principal, interest and a reasonable
27 repair and replacement reserve on the loan or loans in lieu of property
28 costs allowed pursuant to section 17-313b-5 of the regulations of
29 Connecticut state agencies, whether actual debt service is higher or
30 lower than such allowed property costs, provided such debt service
31 terms and amounts are determined by the commissioner at the time
32 the loan is entered into to be reasonable in relation to the useful life
33 and base value of the property. The commissioner may allow fees
34 associated with mortgage refinancing provided such refinancing will
35 result in state reimbursement savings, after comparing costs over the
36 terms of the existing and proposed loans. For the fiscal year ending
37 June 30, 1992, the inflation factor used to determine rates shall be one-
38 half of the gross national product percentage increase for the period
39 between the midpoint of the cost year through the midpoint of the rate
40 year. For fiscal year ending June 30, 1993, the inflation factor used to
41 determine rates shall be two-thirds of the gross national product
42 percentage increase from the midpoint of the cost year to the midpoint
43 of the rate year. For the fiscal years ending June 30, 1996, and June 30,
44 1997, no inflation factor shall be applied in determining rates. The
45 Commissioner of Social Services shall prescribe uniform forms on
46 which such facilities shall report their costs. Such rates shall be
47 determined on the basis of a reasonable payment for necessary
48 services. Any increase in grants, gifts, fund-raising or endowment

49 income used for the payment of operating costs by a private facility in
 50 the fiscal year ending June 30, 1992, shall be excluded by the
 51 commissioner from the income of the facility in determining the rates
 52 to be paid to the facility for the fiscal year ending June 30, 1993,
 53 provided any operating costs funded by such increase shall not
 54 obligate the state to increase expenditures in subsequent fiscal years.
 55 Nothing contained in this section shall authorize a payment by the
 56 state to any such facility in excess of the charges made by the facility
 57 for comparable services to the general public. The service component
 58 of the rates to be paid by the state to private facilities and facilities
 59 operated by regional education service centers which are licensed to
 60 provide residential care pursuant to section 17a-227, but not certified
 61 to participate in the Title XIX Medicaid programs as intermediate care
 62 facilities for persons with mental retardation, shall be determined
 63 annually by the Commissioner of Mental Retardation.

64 (b) The Commissioner of Social Services and the Commissioner of
 65 Mental Retardation shall adopt regulations, in accordance with the
 66 provisions of chapter 54, to implement the provisions of this section.

This act shall take effect as follows:	
Section 1	July 1, 2003

HS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Department of Social Services	GF - Savings	Potential Minimal	Potential Minimal

Municipal Impact: None

Explanation

This bill allows mortgage refinancing fees paid by a community group home to be allowable costs for the room and board rate if the Commissioner of the Department of Social Services determines that the state will have lower reimbursement costs due to the lower cost of the refinanced mortgage. To the extent that this leads to additional homes refinancing, a minimal savings may result under the Supplemental Assistance programs.

OLR Bill Analysis

HB 6116

AN ACT PROVIDING FOR A FINANCIAL INCENTIVE TO PRIVATE OWNERS OF COMMUNITY GROUP HOMES**SUMMARY:**

This bill authorizes the Department of Social Services (DSS) commissioner to include mortgage refinancing fees in her calculations for setting State Supplement Program (SSP) room and board reimbursement rates for private community group homes if the refinancing will result in savings to the state compared to the original loans. The original loan's closing costs are already considered in the rates.

The bill applies to privately owned group homes for people with mental retardation licensed by the Department of Mental Retardation (DMR). Most of them are owned by nonprofit organizations. DMR pays for the program costs of these homes and DSS pays for the room and board costs through its SSP, which provides cash assistance to very low-income aged, blind, and disabled people.

EFFECTIVE DATE: July 1, 2003

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report

Yea 18 Nay 0