



General Assembly

January Session, 2003

**Committee Bill No. 6117**

LCO No. 4382

Referred to Committee on Human Services

Introduced by:  
(HS)

**AN ACT CONCERNING RATE PAYMENTS TO RESIDENTIAL CARE HOMES.**

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

1 Section 1. Subsection (h) of section 17b-340 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2003*):

4 (h) For the fiscal year ending June 30, 1993, any residential care  
5 home with an operating cost component of its rate in excess of one  
6 hundred thirty per cent of the median of operating cost components of  
7 rates in effect January 1, 1992, shall not receive an operating cost  
8 component increase. For the fiscal year ending June 30, 1993, any  
9 residential care home with an operating cost component of its rate that  
10 is less than one hundred thirty per cent of the median of operating cost  
11 components of rates in effect January 1, 1992, shall have an allowance  
12 for real wage growth equal to sixty-five per cent of the increase  
13 determined in accordance with subsection (q) of section 17-311-52 of  
14 the regulations of Connecticut state agencies, provided such operating  
15 cost component shall not exceed one hundred thirty per cent of the  
16 median of operating cost components in effect January 1, 1992.

17 Beginning with the fiscal year ending June 30, 1993, for the purpose of  
18 determining allowable fair rent, a residential care home with allowable  
19 fair rent less than the twenty-fifth percentile of the state-wide  
20 allowable fair rent shall be reimbursed as having allowable fair rent  
21 equal to the twenty-fifth percentile of the state-wide allowable fair  
22 rent. Beginning with the fiscal year ending June 30, 1997, a residential  
23 care home with allowable fair rent less than [three dollars and ten  
24 cents] four dollars per day shall be reimbursed as having allowable fair  
25 rent equal to [three dollars and ten cents] four dollars per day.  
26 Property additions placed in service during the cost year ending  
27 September 30, 1996, or any succeeding cost year shall receive a fair rent  
28 allowance for such additions as an addition to [three dollars and ten  
29 cents] four dollars per day if the fair rent for the facility for property  
30 placed in service prior to September 30, 1995, is less than or equal to  
31 [three dollars and ten cents] four dollars per day. For the fiscal year  
32 ending June 30, 1996, and any succeeding fiscal year, the allowance for  
33 real wage growth, as determined in accordance with subsection (q) of  
34 section 17-311-52 of the regulations of Connecticut state agencies shall  
35 not be applied. For the fiscal year ending June 30, 1996, and any  
36 succeeding fiscal year, the inflation adjustment made in accordance  
37 with subsection (p) of section 17-311-52 of the regulations of  
38 Connecticut state agencies shall not be applied to real property costs.  
39 Beginning with the fiscal year ending June 30, 1997, minimum  
40 allowable patient days for rate computation purposes for a residential  
41 care home with twenty-five beds or less shall be eighty-five per cent of  
42 licensed capacity. Beginning with the fiscal year ending June 30, 2002,  
43 for the purposes of determining the allowable salary of an  
44 administrator of a residential care home with sixty beds or less the  
45 department shall revise the allowable base salary to thirty-seven  
46 thousand dollars to be annually inflated thereafter in accordance with  
47 section 17-311-52 of the regulations of Connecticut state agencies. The  
48 rates for the fiscal year ending June 30, 2002, shall be based upon the  
49 increased allowable salary of an administrator, regardless of whether  
50 such amount was expended in the 2000 cost report period upon which

51 the rates are based. Beginning with the fiscal year ending June 30, 2000,  
52 the inflation adjustment for rates made in accordance with subsection  
53 (p) of section 17-311-52 of the regulations of state agencies shall be  
54 increased by two per cent, and beginning with the fiscal year ending  
55 June 30, 2002, the inflation adjustment for rates made in accordance  
56 with subsection (c) of said section shall be increased by one per cent.  
57 Beginning with the fiscal year ending June 30, 1999, for the purpose of  
58 determining the allowable salary of a related party, the department  
59 shall revise the maximum salary to twenty-seven thousand eight  
60 hundred fifty-six dollars to be annually inflated thereafter in  
61 accordance with section 17-311-52 of the regulations of Connecticut  
62 state agencies and beginning with the fiscal year ending June 30, 2001,  
63 such allowable salary shall be computed on an hourly basis and the  
64 maximum number of hours allowed for a related party other than the  
65 proprietor shall be increased from forty hours to forty-eight hours per  
66 work week. Upon resale of a residential care home to a nonrelated  
67 party, the Department of Social Services shall recognize the fair market  
68 value of the property based upon an independent appraisal.

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

**HS**

*Joint Favorable C/R*

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