



Senate

General Assembly

File No. 247

February Session, 2004

Substitute Senate Bill No. 414

Senate, March 25, 2004

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING TECHNICAL REVISIONS TO THE HUMAN SERVICES STATUTES.

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

1 Section 1. Section 10-295 of the general statutes, as amended by
2 section 1 of public act 03-219, is repealed and the following is
3 substituted in lieu thereof (*Effective October 1, 2004*):

4 (a) All residents of this state, regardless of age, who, because of
5 blindness or impaired vision, require specialized vision-related
6 educational programs, goods and services, on the signed
7 recommendation of the director of the Board of Education and Services
8 for the Blind, shall be entitled to receive such instruction, programs,
9 goods and services [and] for such length of time as is deemed
10 expedient by said director. Upon the petition of any parent or
11 guardian of a blind child or a child with impaired vision, a local board
12 of education may provide such instruction within the town or it may
13 provide for such instruction by agreement with other towns as

14 provided in subsection (d) of section 10-76d. All educational privileges
15 prescribed in part V of chapter 164, not inconsistent with the
16 provisions of this chapter, shall apply to the pupils covered by this
17 subsection.

18 (b) The Board of Education and Services for the Blind shall expend
19 funds for the services made available pursuant to subsection (a) of this
20 section from the educational aid for blind and visually handicapped
21 children account in accordance with the provisions of this subsection.
22 The expense of such services shall be paid by the state in an amount
23 not to exceed six thousand four hundred dollars in any one fiscal year
24 for each child who is blind or visually impaired. The Board of
25 Education and Services for the Blind may [promulgate] adopt such
26 regulations as it deems necessary to carry out the purpose and intent
27 of this subsection.

28 (1) The Board of Education and Services for the Blind shall provide,
29 upon written request from any interested school district, the services of
30 teachers of the visually impaired, based on the levels established in the
31 individualized education or service plan. The agency shall also make
32 available its resources, including, but not limited to, the Braille and
33 large print library, to all teachers of public and nonpublic school
34 children. The agency may also provide vision-related professional
35 development and training to all school districts. The agency shall
36 utilize [general-funded] education consultant positions authorized as
37 of July 1, 2001, funded by moneys appropriated from the General
38 Fund, to supplement new staffing that will be made available through
39 the educational aid for the blind and visually handicapped children
40 account, which shall be governed by formal written policies
41 established by the agency.

42 (2) The Board of Education and Services for the Blind shall use
43 funds appropriated to said account, first to provide specialized books,
44 materials, equipment, supplies, adaptive technology services and
45 devices, specialist examinations and aids, preschool programs [,] and
46 vision-related independent living services, excluding primary

47 educational placement, for eligible children without regard to a per
48 child statutory maximum.

49 (3) The Board of Education and Services for the Blind may, within
50 available appropriations, employ certified teachers of the visually
51 impaired in sufficient numbers to meet the requests for services
52 received from school districts. In responding to such requests, the
53 agency shall utilize a formula for determining the number of teachers
54 needed to serve the school districts, crediting six points [per] for each
55 Braille-learning child and one point for each other child, with one full-
56 time certified teacher of the visually impaired assigned for every
57 twenty-five points credited. The agency shall exercise due diligence to
58 employ the needed number of certified teachers of the visually
59 impaired, but shall not be liable for lack of resources. Not later than
60 October first of each year, the Board of Education and Services for the
61 Blind shall determine the number of teachers needed based on the
62 formula provided in this subdivision. Based on such determination the
63 Board of Education and Services for the Blind shall estimate the
64 funding needed to pay such teachers' salaries, benefits and related
65 expenses.

66 (4) In any fiscal year, when funds appropriated to cover the
67 combined costs associated with providing the services set forth in
68 subdivisions (2) and (3) of this subsection are projected to be
69 insufficient, the Board of Education and Services for the Blind shall be
70 authorized to collect revenue from all school districts that have
71 requested such services on a per student pro rata basis, in the sums
72 necessary to cover the projected portion of these services for which
73 there are insufficient appropriations.

74 (5) Remaining funds in said account, not expended to fund the
75 services set forth in subdivisions (2) and (3) of this subsection, shall be
76 used to cover on a pro rata basis, the actual cost with benefits of
77 retaining a teacher of the visually impaired, directly hired or
78 contracted by the school districts which opt to not seek such services
79 from the Board of Education and Services for the Blind.

80 Reimbursement shall occur at the completion of the school year, using
81 the caseload formula denoted in subdivision (3) of this section, with
82 twenty-five points [allowing] allowed for the maximum reimbursable
83 amount as established by the agency annually.

84 (6) Remaining funds in such account, not expended to fund the
85 services set forth in subdivisions (2), (3) and (5) of this subsection, shall
86 be distributed to the school districts on a pro rata formula basis with a
87 two-to-one credit ratio for Braille-learning students to non-Braille-
88 learning students in the school district based upon the annual child
89 count data provided pursuant to subdivision (1) of this subsection.

90 (c) The Board of Education and Services for the Blind may provide
91 for the instruction of the adult blind in their homes, expending
92 annually for this purpose such sums as the General Assembly may
93 appropriate.

94 (d) The Board of Education and Services for the Blind may expend
95 up to ten thousand dollars per fiscal year per person twenty-one years
96 of age or over who is both blind or visually impaired and deaf for the
97 purpose of sending such person to a specialized public or private
98 facility within the state furnishing programs from which such person
99 can profit. Said board may determine the criteria by which a person is
100 sent to a specialized public or private facility and may adopt
101 regulations necessary to carry out the provisions of this subsection.

102 (e) The Board of Education and Services for the Blind may, within
103 available appropriations, purchase adaptive equipment for persons
104 receiving services pursuant to this chapter. The cost of such purchases
105 shall not exceed, and shall be included in, the maximum amount
106 authorized for instructional expenses under subsection [(a)] (b) of this
107 section.

108 Sec. 2. Subsection (a) of section 17b-112 of the general statutes, as
109 amended by section 1 of public act 03-28, section 5 of public act 03-268
110 and section 80 of public act 03-3 of the June 30 special session, is
111 repealed and the following is substituted in lieu thereof (*Effective*

112 *October 1, 2004*):

113 (a) The Department of Social Services shall administer a temporary
114 family assistance program under which cash assistance shall be
115 provided to eligible families in accordance with the temporary
116 assistance for needy families program, established pursuant to the
117 Personal Responsibility and Work Opportunity Reconciliation Act of
118 1996. Under the temporary family assistance program, benefits shall be
119 provided to a family for not longer than twenty-one months, except as
120 provided in subsections (b) and (c) of this section. For the purpose of
121 calculating said twenty-one-month time limit, months of assistance
122 received on and after January 1, 1996, pursuant to time limits under
123 the aid to families with dependent children program, shall be
124 included. For purposes of this section, "family" means one or more
125 individuals who apply for or receive assistance together under the
126 temporary family assistance program. If the commissioner determines
127 that federal law allows individuals not otherwise in an eligible covered
128 group for the temporary family assistance program to become covered,
129 such family may also, at the discretion of the commissioner, be
130 composed of (1) a pregnant woman, or (2) a parent, both parents or
131 other caretaker relative and at least one child who is under the age of
132 eighteen, or who is under the age of nineteen and a full-time student in
133 a secondary school or its equivalent. A caretaker relative shall be
134 related to the child or children by blood, marriage or adoption or shall
135 be the legal guardian of such a child or pursuing legal proceedings
136 necessary to achieve guardianship. If the commissioner elects to allow
137 state eligibility consistent with any change in federal law, the
138 commissioner may administratively transfer any qualifying family
139 cases under the cash assistance portion of the state-administered
140 general assistance program to the temporary family assistance
141 program without regard to usual eligibility and enrollment
142 procedures. If such families become an ineligible coverage group
143 under the federal law, the commissioner shall administratively transfer
144 such families back to the cash assistance portion of the state-
145 administered general assistance program without regard to usual
146 eligibility and enrollment procedures to the degree that such families

147 are eligible for the state program.

148 Sec. 3. Subsection (a) of section 17b-119 of the general statutes, as
149 amended by section 49 of public act 03-3 of the June 30 special session,
150 is repealed and the following is substituted in lieu thereof (*Effective*
151 *October 1, 2004*):

152 (a) [For those recipients] If a recipient of state-administered general
153 assistance [who have] has been denied aid under the federal
154 Supplemental Security Income Program, or [who have] has been
155 notified by the Social Security Administration that [their] his benefits
156 under such program will be terminated, the Commissioner of Social
157 Services shall advise the [client] recipient as to his right of appeal and
158 the availability of local legal counsel. The attorney chosen by the
159 recipient shall be reimbursed by the state for his reasonable fees, on a
160 contingency basis, limited to the amount approved by the Department
161 of Social Services, and limited to the amount approved by the Social
162 Security Administration when such approval is required by federal
163 regulations for such appeals. Such attorney's fees shall not be
164 recoverable from such recipient or his estate. The full amount of any
165 interim assistance reimbursement received by the state shall be applied
166 to reduce any obligation owed to the town by such recipient.

167 Sec. 4. Section 17b-131 of the general statutes, as amended by section
168 48 of public act 03-3 of the June 30 special session, is repealed and the
169 following is substituted in lieu thereof (*Effective October 1, 2004*):

170 When a person in any town, or sent from such town to any licensed
171 institution or state humane institution, dies or is found dead therein
172 and does not leave sufficient estate or has no legally liable relative able
173 to pay the cost of a proper funeral and burial, the [chief executive
174 officer of such town,] Commissioner of Social Services shall give to
175 such person a proper funeral and burial, and shall pay a sum not
176 exceeding twelve hundred dollars as an allowance toward the funeral
177 expenses of such deceased, said sum to be paid, upon submission of a
178 proper bill, to the funeral director, cemetery or crematory, as the case
179 may be. [The Commissioner of Social Services shall reimburse such

180 town for such burial.] Such payment for funeral and burial expenses
181 shall be reduced by (1) the amount in any revocable or irrevocable
182 funeral fund, (2) any prepaid funeral contract, (3) the face value of any
183 life insurance policy owned by the decedent, and (4) contributions in
184 excess of two thousand eight hundred dollars toward such funeral and
185 burial expenses from all other sources including friends, relatives and
186 all other persons, organizations, veterans and other benefit programs
187 and other agencies.

188 Sec. 5. Subsection (a) of section 17b-257 of the general statutes, as
189 amended by section 18 of public act 03-2 and section 43 of public act
190 03-3 of the June 30 special session, is repealed and the following is
191 substituted in lieu thereof (*Effective October 1, 2004*):

192 (a) The Commissioner of Social Services shall implement a state
193 medical assistance component of the state-administered general
194 assistance program for persons ineligible for Medicaid. Not later than
195 October 1, 2003, each person eligible for state-administered general
196 assistance shall be entitled to receive medical care through a federally
197 qualified health center or other primary care provider as determined
198 by the commissioner. The Commissioner of Social Services shall
199 determine appropriate service areas and shall, in the commissioner's
200 discretion, contract with community health centers, other similar
201 clinics, and other primary care providers, if necessary, to assure access
202 to primary care services for recipients who live farther than a
203 reasonable distance from a federally qualified health center. The
204 commissioner shall assign and enroll eligible persons in federally
205 qualified health centers and with any other providers contracted for
206 the program because of access needs. Not later than October 1, 2003,
207 each person eligible for state-administered general assistance shall be
208 entitled to receive hospital services. Medical services under the
209 program shall be limited to the services provided by a federally
210 qualified health center, hospital, or other provider contracted for the
211 program at the commissioner's discretion because of access needs. The
212 commissioner shall ensure that ancillary services and specialty services
213 are provided by a federally qualified health center, hospital, or other

214 providers contracted for the program at the commissioner's discretion.
215 Ancillary services include, but are not limited to, radiology, laboratory,
216 and other diagnostic services not available from a recipient's assigned
217 primary-care provider, and durable medical equipment. Specialty
218 services are services provided by a physician with a specialty that are
219 not included in ancillary services. In no event [] shall ancillary or
220 specialty services provided under the program exceed such services
221 provided under the state-administered general assistance program on
222 July 1, 2003. Eligibility criteria concerning income shall be the same as
223 the medically needy component of the Medicaid program, except that
224 earned monthly gross income of up to one hundred fifty dollars shall
225 be disregarded. Unearned income shall not be disregarded. No person
226 who has family assets exceeding one thousand dollars shall be eligible.
227 No person eligible for Medicaid shall be eligible to receive medical
228 care through the state-administered general assistance program.

229 Sec. 6. Subsection (g) of section 17b-261 of the general statutes, as
230 amended by section 2 of public act 03-28, is repealed and the following
231 is substituted in lieu thereof (*Effective October 1, 2004*):

232 (g) To the extent permitted by federal law, Medicaid eligibility shall
233 be extended for two years to a family [who] that becomes ineligible for
234 medical assistance under Section 1931 of the Social Security Act while
235 one of its members who is a caretaker relative is employed or due to
236 receipt of child support income or a family with an adult who, within
237 six months of becoming ineligible under Section 1931 of the Social
238 Security Act becomes employed.

239 Sec. 7. Subsection (h) of section 17b-261a of the general statutes, as
240 amended by section 62 of public act 03-3 of the June 30 special session,
241 is repealed and the following is substituted in lieu thereof (*Effective*
242 *October 1, 2004*):

243 (h) The Commissioner of Social Services, pursuant to section 17b-10,
244 shall implement the policies and procedures necessary to carry out the
245 provisions of this section while in the process of adopting such
246 [regulations] policies and procedures in regulation form, provided

247 notice of intent to adopt regulations is published in the Connecticut
248 Law Journal [within] not later than twenty days after implementation.
249 Such policies and procedures shall be valid until the time final
250 regulations are effective.

251 Sec. 8. Section 12 of public act 03-2 is repealed and the following is
252 substituted in lieu thereof (*Effective October 1, 2004*):

253 In no event shall an individual eligible for medical assistance under
254 section 17b-261, as amended, be guaranteed [eligible] eligibility for
255 such assistance for six consecutive months without regard to changes
256 in certain circumstances that would otherwise cause the individual to
257 become ineligible for assistance.

258 Sec. 9. Section 2 of public act 03-155 is repealed and the following is
259 substituted in lieu thereof (*Effective October 1, 2004*):

260 (a) Not later than July 1, 2004, and prior to the implementation of a
261 state-wide dental plan that provides for the administration of the
262 dental services portion of the department's medical assistance, the
263 Commissioner of Social Services shall amend the federal waiver
264 approved pursuant to Section 1915(b) of the Social Security Act. Such
265 waiver amendment shall be submitted to the joint standing committees
266 of the General Assembly having cognizance of matters relating to
267 human services and appropriations and the budgets of state agencies
268 in accordance with the provisions of section 17b-8.

269 (b) Prior to the implementation of a state-wide dental plan that
270 provides for the administration of the dental services portion of the
271 department's medical assistance program, the Commissioner of Social
272 Services shall review eliminating prior authorization requirements for
273 basic and routine dental services. In the event the commissioner
274 [promulgates] adopts regulations to eliminate such prior authorization
275 requirements, the commissioner may implement policies and
276 procedures for the purposes of this subsection while in the process of
277 adopting such regulations, provided the commissioner prints notice of
278 intention to adopt the regulations in the Connecticut Law Journal

279 [within] not later than twenty days [of] after implementing the policies
280 and procedures.

281 Sec. 10. Subsection (a) of section 17b-292 of the general statutes, as
282 amended by section 7 of public act 03-2 and section 56 of public act 03-
283 3 of the June 30 special session, is repealed and the following is
284 substituted in lieu thereof (*Effective October 1, 2004*):

285 (a) A child who resides in a household with a family income which
286 exceeds one hundred eighty-five per cent of the federal poverty level
287 and does not exceed three hundred per cent of the federal poverty
288 level may be eligible for subsidized benefits under the HUSKY Plan,
289 Part B. The services and cost-sharing requirements under the HUSKY
290 Plan, Part B shall be substantially similar to the services and cost-
291 sharing requirements of the largest commercially available health plan
292 offered by a managed care organization, as defined in section 38a-478,
293 as amended, offered to residents in this state as measured by the
294 number of covered lives reported to the [Department of] Insurance
295 Department in the most recent audited annual report.

296 Sec. 11. Section 17b-340 of the general statutes, as amended by
297 section 17 of public act 03-2, section 45 of public act 03-19 and section
298 50 of public act 03-3 of the June 30 special session, is repealed and the
299 following is substituted in lieu thereof (*Effective October 1, 2004*):

300 (a) The rates to be paid by or for persons aided or cared for by the
301 state or any town in this state to licensed chronic and convalescent
302 nursing homes, to chronic disease hospitals associated with chronic
303 and convalescent nursing homes, to rest homes with nursing
304 supervision, [and] to licensed residential care homes, as defined by
305 section 19a-490, as amended, and to residential facilities for the
306 mentally retarded which are licensed pursuant to section 17a-227, as
307 amended, and certified to participate in the Title XIX Medicaid
308 program as intermediate care facilities for the mentally retarded, for
309 room, board and services specified in licensing regulations issued by
310 the licensing agency shall be determined annually, except as otherwise
311 provided in this subsection, after a public hearing, by the

312 Commissioner of Social Services, to be effective July first of each year
313 except as otherwise provided in this subsection. Such rates shall be
314 determined on a basis of a reasonable payment for such necessary
315 services, which basis shall take into account as a factor the costs of
316 such services. Cost of such services shall include (1) reasonable costs
317 mandated by collective bargaining agreements with certified collective
318 bargaining agents or other agreements between the employer and
319 employees, provided "employees" shall not include persons employed
320 as managers or chief administrators or required to be licensed as
321 nursing home administrators, and (2) compensation for services
322 rendered by proprietors at prevailing wage rates, as determined by
323 application of principles of accounting as prescribed by said
324 commissioner. Cost of such services shall not include amounts paid by
325 the facilities to employees as salary, or to attorneys or consultants as
326 fees, where the responsibility of the employees, attorneys, or
327 consultants is to persuade or seek to persuade the other employees of
328 the facility to support or oppose unionization. Nothing in this
329 subsection shall prohibit inclusion of amounts paid for legal counsel
330 related to the negotiation of collective bargaining agreements, the
331 settlement of grievances or normal administration of labor relations.
332 The commissioner may, in his discretion, allow the inclusion of
333 extraordinary and unanticipated costs of providing services which
334 were incurred to avoid an immediate negative impact on the health
335 and safety of patients. The commissioner may, in his discretion, based
336 upon review of a facility's costs, direct care staff to patient ratio and
337 any other related information, revise a facility's rate for any increases
338 or decreases to total licensed capacity of more than ten beds or changes
339 to its number of licensed rest home with nursing supervision beds and
340 chronic and convalescent nursing home beds. The commissioner may
341 so revise a facility's rate established for the fiscal year ending June 30,
342 1993, and thereafter for any bed increases, decreases or changes in
343 licensure effective after October 1, 1989. Effective July 1, 1991, in
344 facilities which have both a chronic and convalescent nursing home
345 and a rest home with nursing supervision, the rate for the rest home
346 with nursing supervision shall not exceed such facility's rate for its

347 chronic and convalescent nursing home. All such facilities for which
348 rates are determined under this subsection shall report on a fiscal year
349 basis ending on the thirtieth day of September. Such report shall be
350 submitted to the commissioner by the thirty-first day of December. The
351 commissioner may reduce the rate in effect for a facility which fails to
352 report on or before such date by an amount not to exceed ten per cent
353 of such rate. The commissioner shall annually, on or before the
354 fifteenth day of February, report the data contained in the reports of
355 such facilities to the joint standing committee of the General Assembly
356 having cognizance of matters relating to appropriations. For the cost
357 reporting year commencing October 1, 1985, and for subsequent cost
358 reporting years, facilities shall report the cost of using the services of
359 any nursing pool employee by separating said cost into two categories,
360 the portion of the cost equal to the salary of the employee for whom
361 the nursing pool employee is substituting shall be considered a
362 nursing cost and any cost in excess of such salary shall be further
363 divided so that seventy-five per cent of the excess cost shall be
364 considered an administrative or general cost and twenty-five per cent
365 of the excess cost shall be considered a nursing cost, provided if the
366 total nursing pool costs of a facility for any cost year are equal to or
367 exceed fifteen per cent of the total nursing expenditures of the facility
368 for such cost year, no portion of nursing pool costs in excess of fifteen
369 per cent shall be classified as administrative or general costs. The
370 commissioner, in determining such rates, shall also take into account
371 the classification of patients or boarders according to special care
372 requirements or classification of the facility according to such factors
373 as facilities and services and such other factors as he deems reasonable,
374 including anticipated fluctuations in the cost of providing such
375 services. The commissioner may establish a separate rate for a facility
376 or a portion of a facility for traumatic brain injury patients who require
377 extensive care but not acute general hospital care. Such separate rate
378 shall reflect the special care requirements of such patients. If changes
379 in federal or state laws, regulations or standards adopted subsequent
380 to June 30, 1985, result in increased costs or expenditures in an amount
381 exceeding one-half of one per cent of allowable costs for the most

382 recent cost reporting year, the commissioner shall adjust rates and
383 provide payment for any such increased reasonable costs or
384 expenditures within a reasonable period of time retroactive to the date
385 of enforcement. Nothing in this section shall be construed to require
386 the Department of Social Services to adjust rates and provide payment
387 for any increases in costs resulting from an inspection of a facility by
388 the Department of Public Health. Such assistance as the commissioner
389 requires from other state agencies or departments in determining rates
390 shall be made available to him at his request. Payment of the rates
391 established hereunder shall be conditioned on the establishment by
392 such facilities of admissions procedures which conform with this
393 section, section 19a-533, as amended, and all other applicable
394 provisions of the law and the provision of equality of treatment to all
395 persons in such facilities. The established rates shall be the maximum
396 amount chargeable by such facilities for care of such beneficiaries, and
397 the acceptance by or on behalf of any such facility of any additional
398 compensation for care of any such beneficiary from any other person
399 or source shall constitute the offense of aiding a beneficiary to obtain
400 aid to which he is not entitled and shall be punishable in the same
401 manner as is provided in subsection (b) of section 17b-97. For the fiscal
402 year ending June 30, 1992, rates for licensed residential care homes and
403 intermediate care facilities for the mentally retarded may receive an
404 increase not to exceed the most recent annual increase in the Regional
405 Data Resources Incorporated McGraw-Hill Health Care Costs:
406 Consumer Price Index (all urban)-All Items. Rates for newly certified
407 intermediate care facilities for the mentally retarded shall not exceed
408 one hundred fifty per cent of the median rate of rates in effect on
409 January 31, 1991, for intermediate care facilities for the mentally
410 retarded certified prior to February 1, 1991. Notwithstanding any
411 provision of this section, the Commissioner of Social Services shall not
412 adjust an annual rate for a licensed chronic and convalescent nursing
413 home or a rest home with nursing supervision set for the fiscal years
414 ending June 30, 2004, and June 30, 2005, for any reason other than to:
415 [(1)] (A) Reflect a percentage increase in subsection (f) of this section;
416 [(2)] (B) lower a rate; or [(3)] (C) allow the inclusion of extraordinary

417 and unanticipated costs in accordance with this subsection.

418 (b) The Commissioner of Social Services shall adopt regulations in
419 accordance with the provisions of chapter 54 to specify other allowable
420 services. For purposes of this section, other allowable services means
421 those services required by any medical assistance beneficiary residing
422 in such home or hospital which are not already covered in the rate set
423 by the commissioner in accordance with the provisions of subsection
424 (a) of this section.

425 (c) No facility subject to the requirements of this section shall accept
426 payment in excess of the rate set by the commissioner pursuant to
427 subsection (a) of this section for any medical assistance patient from
428 this or any other state. No facility shall accept payment in excess of the
429 reasonable and necessary costs of other allowable services as specified
430 by the commissioner pursuant to the regulations [promulgated]
431 adopted under subsection (b) of this section for any public assistance
432 patient from this or any other state. Notwithstanding the provisions of
433 this subsection, the commissioner may authorize a facility to accept
434 payment in excess of the rate paid for a medical assistance patient in
435 this state for a patient who receives medical assistance from another
436 state.

437 (d) In any instance where the Commissioner of Social Services finds
438 that a facility subject to the requirements of this section is accepting
439 payment for a medical assistance beneficiary in violation of subsection
440 (c) of this section, the commissioner shall proceed to recover through
441 the rate set for the facility any sum in excess of the stipulated per diem
442 and other allowable costs, as [promulgated] provided for in
443 regulations adopted pursuant to subsections (a) and (b) of this section.
444 The commissioner shall make the recovery prospectively at the time of
445 the next annual rate redetermination.

446 (e) Except as provided in this subsection, the provisions of
447 subsections (c) and (d) of this section shall not apply to any facility
448 subject to the requirements of this section, which on October 1, 1981,
449 (1) was accepting payments from the commissioner in accordance with

450 the provisions of subsection (a) of this section, (2) was accepting
451 medical assistance payments from another state for at least twenty per
452 cent of its patients, and (3) had not notified the commissioner of any
453 intent to terminate its provider agreement, in accordance with section
454 17b-271, provided no patient residing in any such facility on May 22,
455 1984, shall be removed from such facility for purposes of meeting the
456 requirements of this subsection. If the commissioner finds that the
457 number of beds available to medical assistance patients from this state
458 in any such facility is less than fifteen per cent the provisions of
459 subsections (c) and (d) of this section shall apply to that number of
460 beds which is less than said percentage.

461 (f) For the fiscal year ending June 30, 1992, the rates paid by or for
462 persons aided or cared for by the state or any town in this state to
463 facilities for room, board and services specified in licensing regulations
464 issued by the licensing agency, except intermediate care facilities for
465 the mentally retarded and residential care homes, shall be based on the
466 cost year ending September 30, 1989. For the fiscal years ending June
467 30, 1993, and June 30, 1994, such rates shall be based on the cost year
468 ending September 30, 1990. Such rates shall be determined by the
469 Commissioner of Social Services in accordance with this section and
470 the regulations of Connecticut state agencies promulgated by the
471 commissioner and in effect on April 1, 1991, except that:

472 (1) Allowable costs shall be divided into the following five cost
473 components: Direct costs, which shall include salaries for nursing
474 personnel, related fringe benefits and nursing pool costs; indirect costs,
475 which shall include professional fees, dietary expenses, housekeeping
476 expenses, laundry expenses, supplies related to patient care, salaries
477 for indirect care personnel and related fringe benefits; fair rent, which
478 shall be defined in accordance with subsection (f) of section 17-311-52
479 of the regulations of Connecticut state agencies; capital-related costs,
480 which shall include property taxes, insurance expenses, equipment
481 leases and equipment depreciation; and administrative and general
482 costs, which shall include maintenance and operation of plant
483 expenses, salaries for administrative and maintenance personnel and

484 related fringe benefits. The commissioner may provide a rate
485 adjustment for nonemergency transportation services required by
486 nursing facility residents. Such adjustment shall be a fixed amount
487 determined annually by the commissioner based upon a review of
488 costs and other associated information. Allowable costs shall not
489 include costs for ancillary services payable under Part B of the
490 Medicare program.

491 (2) Two geographic peer groupings of facilities shall be established
492 for each level of care, as defined by the Department of Social Services
493 for the determination of rates, for the purpose of determining
494 allowable direct costs. One peer grouping shall be comprised of those
495 facilities located in Fairfield County. The other peer grouping shall be
496 comprised of facilities located in all other counties.

497 (3) For the fiscal year ending June 30, 1992, per diem maximum
498 allowable costs for each cost component shall be as follows: For direct
499 costs, the maximum shall be equal to one hundred forty per cent of the
500 median allowable cost of that peer grouping; for indirect costs, the
501 maximum shall be equal to one hundred thirty per cent of the state-
502 wide median allowable cost; for fair rent, the amount shall be
503 calculated utilizing the amount approved by the Office of Health Care
504 Access pursuant to section 19a-638, as amended; for capital-related
505 costs, there shall be no maximum; and for administrative and general
506 costs, the maximum shall be equal to one hundred twenty-five per cent
507 of the state-wide median allowable cost. For the fiscal year ending June
508 30, 1993, per diem maximum allowable costs for each cost component
509 shall be as follows: For direct costs, the maximum shall be equal to one
510 hundred forty per cent of the median allowable cost of that peer
511 grouping; for indirect costs, the maximum shall be equal to one
512 hundred twenty-five per cent of the state-wide median allowable cost;
513 for fair rent, the amount shall be calculated utilizing the amount
514 approved by the Office of Health Care Access pursuant to section 19a-
515 638, as amended; for capital-related costs, there shall be no maximum;
516 and for administrative and general costs the maximum shall be equal
517 to one hundred fifteen per cent of the state-wide median allowable

518 cost. For the fiscal year ending June 30, 1994, per diem maximum
519 allowable costs for each cost component shall be as follows: For direct
520 costs, the maximum shall be equal to one hundred thirty-five per cent
521 of the median allowable cost of that peer grouping; for indirect costs,
522 the maximum shall be equal to one hundred twenty per cent of the
523 state-wide median allowable cost; for fair rent, the amount shall be
524 calculated utilizing the amount approved by the Office of Health Care
525 Access pursuant to section 19a-638, as amended; for capital-related
526 costs, there shall be no maximum; and for administrative and general
527 costs the maximum shall be equal to one hundred ten per cent of the
528 state-wide median allowable cost. For the fiscal year ending June 30,
529 1995, per diem maximum allowable costs for each cost component
530 shall be as follows: For direct costs, the maximum shall be equal to one
531 hundred thirty-five per cent of the median allowable cost of that peer
532 grouping; for indirect costs, the maximum shall be equal to one
533 hundred twenty per cent of the state-wide median allowable cost; for
534 fair rent, the amount shall be calculated utilizing the amount approved
535 by the Office of Health Care Access pursuant to section 19a-638, as
536 amended; for capital-related costs, there shall be no maximum; and for
537 administrative and general costs the maximum shall be equal to one
538 hundred five per cent of the state-wide median allowable cost. For the
539 fiscal year ending June 30, 1996, and any succeeding fiscal year, except
540 for the fiscal years ending June 30, 2000, and June 30, 2001, for facilities
541 with an interim rate in one or both periods, per diem maximum
542 allowable costs for each cost component shall be as follows: For direct
543 costs, the maximum shall be equal to one hundred thirty-five per cent
544 of the median allowable cost of that peer grouping; for indirect costs,
545 the maximum shall be equal to one hundred fifteen per cent of the
546 state-wide median allowable cost; for fair rent, the amount shall be
547 calculated utilizing the amount approved pursuant to section 19a-638,
548 as amended; for capital-related costs, there shall be no maximum; and
549 for administrative and general costs the maximum shall be equal to the
550 state-wide median allowable cost. For the fiscal years ending June 30,
551 2000, and June 30, 2001, for facilities with an interim rate in one or both
552 periods, per diem maximum allowable costs for each cost component

553 shall be as follows: For direct costs, the maximum shall be equal to one
554 hundred forty-five per cent of the median allowable cost of that peer
555 grouping; for indirect costs, the maximum shall be equal to one
556 hundred twenty-five per cent of the state-wide median allowable cost;
557 for fair rent, the amount shall be calculated utilizing the amount
558 approved pursuant to section 19a-638, as amended; for capital-related
559 costs, there shall be no maximum; and for administrative and general
560 costs, the maximum shall be equal to the state-wide median allowable
561 cost and such medians shall be based upon the same cost year used to
562 set rates for facilities with prospective rates. Costs in excess of the
563 maximum amounts established under this subsection shall not be
564 recognized as allowable costs, except that the Commissioner of Social
565 Services (A) may allow costs in excess of maximum amounts for any
566 facility with patient days covered by Medicare, including days
567 requiring coinsurance, in excess of twelve per cent of annual patient
568 days which also has patient days covered by Medicaid in excess of fifty
569 per cent of annual patient days; (B) may establish a pilot program
570 whereby costs in excess of maximum amounts shall be allowed for
571 beds in a nursing home which has a managed care program and is
572 affiliated with a hospital licensed under chapter 368v; and (C) may
573 establish rates whereby allowable costs may exceed such maximum
574 amounts for beds approved on or after July 1, 1991, which are
575 restricted to use by patients with acquired immune deficiency
576 syndrome or traumatic brain injury.

577 (4) For the fiscal year ending June 30, 1992, (A) no facility shall
578 receive a rate that is less than the rate it received for the rate year
579 ending June 30, 1991; (B) no facility whose rate, if determined pursuant
580 to this subsection, would exceed one hundred twenty per cent of the
581 state-wide median rate, as determined pursuant to this subsection,
582 shall receive a rate which is five and one-half per cent more than the
583 rate it received for the rate year ending June 30, 1991; and (C) no
584 facility whose rate, if determined pursuant to this subsection, would be
585 less than one hundred twenty per cent of the state-wide median rate,
586 as determined pursuant to this subsection, shall receive a rate which is
587 six and one-half per cent more than the rate it received for the rate year

588 ending June 30, 1991. For the fiscal year ending June 30, 1993, no
589 facility shall receive a rate that is less than the rate it received for the
590 rate year ending June 30, 1992, or six per cent more than the rate it
591 received for the rate year ending June 30, 1992. For the fiscal year
592 ending June 30, 1994, no facility shall receive a rate that is less than the
593 rate it received for the rate year ending June 30, 1993, or six per cent
594 more than the rate it received for the rate year ending June 30, 1993.
595 For the fiscal year ending June 30, 1995, no facility shall receive a rate
596 that is more than five per cent less than the rate it received for the rate
597 year ending June 30, 1994, or six per cent more than the rate it received
598 for the rate year ending June 30, 1994. For the fiscal years ending June
599 30, 1996, and June 30, 1997, no facility shall receive a rate that is more
600 than three per cent more than the rate it received for the prior rate
601 year. For the fiscal year ending June 30, 1998, a facility shall receive a
602 rate increase that is not more than two per cent more than the rate that
603 the facility received in the prior year. For the fiscal year ending June
604 30, 1999, a facility shall receive a rate increase that is not more than
605 three per cent more than the rate that the facility received in the prior
606 year and that is not less than one per cent more than the rate that the
607 facility received in the prior year, exclusive of rate increases associated
608 with a wage, benefit and staffing enhancement rate adjustment added
609 for the period from April 1, 1999, to June 30, 1999, inclusive. For the
610 fiscal year ending June 30, 2000, each facility, except a facility with an
611 interim rate or replaced interim rate for the fiscal year ending June 30,
612 1999, and a facility having a certificate of need or other agreement
613 specifying rate adjustments for the fiscal year ending June 30, 2000,
614 shall receive a rate increase equal to one per cent applied to the rate the
615 facility received for the fiscal year ending June 30, 1999, exclusive of
616 the facility's wage, benefit and staffing enhancement rate adjustment.
617 For the fiscal year ending June 30, 2000, no facility with an interim rate,
618 replaced interim rate or scheduled rate adjustment specified in a
619 certificate of need or other agreement for the fiscal year ending June
620 30, 2000, shall receive a rate increase that is more than one per cent
621 more than the rate the facility received in the fiscal year ending June
622 30, 1999. For the fiscal year ending June 30, 2001, each facility, except a

623 facility with an interim rate or replaced interim rate for the fiscal year
624 ending June 30, 2000, and a facility having a certificate of need or other
625 agreement specifying rate adjustments for the fiscal year ending June
626 30, 2001, shall receive a rate increase equal to two per cent applied to
627 the rate the facility received for the fiscal year ending June 30, 2000,
628 subject to verification of wage enhancement adjustments pursuant to
629 subdivision (15) of this subsection. For the fiscal year ending June 30,
630 2001, no facility with an interim rate, replaced interim rate or
631 scheduled rate adjustment specified in a certificate of need or other
632 agreement for the fiscal year ending June 30, 2001, shall receive a rate
633 increase that is more than two per cent more than the rate the facility
634 received for the fiscal year ending June 30, 2000. For the fiscal year
635 ending June 30, 2002, each facility shall receive a rate that is two and
636 one-half per cent more than the rate the facility received in the prior
637 fiscal year. For the fiscal year ending June 30, 2003, each facility shall
638 receive a rate that is two per cent more than the rate the facility
639 received in the prior fiscal year, except that such increase shall be
640 effective January 1, 2003, and such facility rate in effect for the fiscal
641 year ending June 30, 2002, shall be paid for services provided until
642 December 31, 2002, except any facility that would have been issued a
643 lower rate effective July 1, 2002, than for the fiscal year ending June 30,
644 2002, due to interim rate status or agreement with the department shall
645 be issued such lower rate effective July 1, 2002, and have such rate
646 increased two per cent effective June 1, 2003. For the fiscal year ending
647 June 30, 2004, rates in effect for the period ending June 30, 2003, shall
648 remain in effect, except any facility that would have been issued a
649 lower rate effective July 1, 2003, than for the fiscal year ending June 30,
650 2003, due to interim rate status or agreement with the department shall
651 be issued such lower rate effective July 1, 2003. For the fiscal year
652 ending June 30, 2005, rates in effect for the period ending June 30, 2004,
653 shall remain in effect until December 31, 2004, except any facility that
654 would have been issued a lower rate effective July 1, 2004, than for the
655 fiscal year ending June 30, 2004, due to interim rate status or
656 agreement with the department shall be issued such lower rate
657 effective July 1, 2004. Effective January 1, 2005, each facility shall

658 receive a rate that is one per cent greater than the rate in effect
659 December 31, 2004. The Commissioner of Social Services shall add fair
660 rent increases to any other rate increases established pursuant to this
661 subdivision for a facility which has undergone a material change in
662 circumstances related to fair rent.

663 (5) For the purpose of determining allowable fair rent, a facility with
664 allowable fair rent less than the twenty-fifth percentile of the state-
665 wide allowable fair rent shall be reimbursed as having allowable fair
666 rent equal to the twenty-fifth percentile of the state-wide allowable fair
667 rent, provided for the fiscal years ending June 30, 1996, and June 30,
668 1997, the reimbursement may not exceed the twenty-fifth percentile of
669 the state-wide allowable fair rent for the fiscal year ending June 30,
670 1995. On and after July 1, 1998, the Commissioner of Social Services
671 may allow minimum fair rent as the basis upon which reimbursement
672 associated with improvements to real property is added. Beginning
673 with the fiscal year ending June 30, 1996, any facility with a rate of
674 return on real property other than land in excess of eleven per cent
675 shall have such allowance revised to eleven per cent. Any facility or its
676 related realty affiliate which finances or refinances debt through bonds
677 issued by the State of Connecticut Health and Education Facilities
678 Authority shall report the terms and conditions of such financing or
679 refinancing to the Commissioner of Social Services within thirty days
680 of completing such financing or refinancing. The Commissioner of
681 Social Services may revise the facility's fair rent component of its rate
682 to reflect any financial benefit the facility or its related realty affiliate
683 received as a result of such financing or refinancing, including but not
684 limited to, reductions in the amount of debt service payments or
685 period of debt repayment. The commissioner shall allow actual debt
686 service costs for bonds issued by the State of Connecticut Health and
687 Educational Facilities Authority if such costs do not exceed property
688 costs allowed pursuant to subsection (f) of section 17-311-52 of the
689 regulations of Connecticut state agencies, provided the commissioner
690 may allow higher debt service costs for such bonds for good cause. For
691 facilities which first open on or after October 1, 1992, the commissioner
692 shall determine allowable fair rent for real property other than land

693 based on the rate of return for the cost year in which such bonds were
694 issued. The financial benefit resulting from a facility financing or
695 refinancing debt through such bonds shall be shared between the state
696 and the facility to an extent determined by the commissioner on a case-
697 by-case basis and shall be reflected in an adjustment to the facility's
698 allowable fair rent.

699 (6) A facility shall receive cost efficiency adjustments for indirect
700 costs and for administrative and general costs if such costs are below
701 the state-wide median costs. The cost efficiency adjustments shall
702 equal twenty-five per cent of the difference between allowable
703 reported costs and the applicable median allowable cost established
704 pursuant to this subdivision.

705 (7) For the fiscal year ending June 30, 1992, allowable operating
706 costs, excluding fair rent, shall be inflated using the Regional Data
707 Resources Incorporated McGraw-Hill Health Care Costs: Consumer
708 Price Index (all urban)-All Items minus one and one-half per cent. For
709 the fiscal year ending June 30, 1993, allowable operating costs,
710 excluding fair rent, shall be inflated using the Regional Data Resources
711 Incorporated McGraw-Hill Health Care Costs: Consumer Price Index
712 (all urban)-All Items minus one and three-quarters per cent. For the
713 fiscal years ending June 30, 1994, and June 30, 1995, allowable
714 operating costs, excluding fair rent, shall be inflated using the Regional
715 Data Resources Incorporated McGraw-Hill Health Care Costs:
716 Consumer Price Index (all urban)-All Items minus two per cent. For
717 the fiscal year ending June 30, 1996, allowable operating costs,
718 excluding fair rent, shall be inflated using the Regional Data Resources
719 Incorporated McGraw-Hill Health Care Costs: Consumer Price Index
720 (all urban)-All Items minus two and one-half per cent. For the fiscal
721 year ending June 30, 1997, allowable operating costs, excluding fair
722 rent, shall be inflated using the Regional Data Resources Incorporated
723 McGraw-Hill Health Care Costs: Consumer Price Index (all urban)-All
724 Items minus three and one-half per cent. For the fiscal year ending
725 June 30, 1992, and any succeeding fiscal year, allowable fair rent shall
726 be those reported in the annual report of long-term care facilities for

727 the cost year ending the immediately preceding September thirtieth.
728 The inflation index to be used pursuant to this subsection shall be
729 computed to reflect inflation between the midpoint of the cost year
730 through the midpoint of the rate year. The Department of Social
731 Services shall study methods of reimbursement for fair rent and shall
732 report its findings and recommendations to the joint standing
733 committee of the General Assembly having cognizance of matters
734 relating to human services on or before January 15, 1993.

735 (8) On and after July 1, 1994, costs shall be rebased no more
736 frequently than every two years and no less frequently than every four
737 years, as determined by the commissioner. The commissioner shall
738 determine whether and to what extent a change in ownership of a
739 facility shall occasion the rebasing of the facility's costs.

740 (9) The method of establishing rates for new facilities shall be
741 determined by the commissioner in accordance with the provisions of
742 this subsection.

743 (10) Rates determined under this section shall comply with federal
744 laws and regulations.

745 (11) For the fiscal year ending June 30, 1992, and any succeeding
746 fiscal year, one-half of the initial amount payable in June by the state to
747 a facility pursuant to this subsection shall be paid to the facility in June
748 and the balance of such amount shall be paid in July.

749 (12) Notwithstanding the provisions of this subsection, interim rates
750 issued for facilities on and after July 1, 1991, shall be subject to
751 applicable fiscal year cost component limitations established pursuant
752 to subdivision (3) of this subsection.

753 (13) A chronic and convalescent nursing home having an ownership
754 affiliation with and operated at the same location as a chronic disease
755 hospital may request that the commissioner approve an exception to
756 applicable rate-setting provisions for chronic and convalescent nursing
757 homes and establish a rate for the fiscal years ending June 30, 1992,

758 and June 30, 1993, in accordance with regulations in effect June 30,
759 1991. Any such rate shall not exceed one hundred sixty-five per cent of
760 the median rate established for chronic and convalescent nursing
761 homes established under this section for the applicable fiscal year.

762 (14) For the fiscal year ending June 30, 1994, and any succeeding
763 fiscal year, for purposes of computing minimum allowable patient
764 days, utilization of a facility's certified beds shall be determined at a
765 minimum of ninety-five per cent of capacity, except for new facilities
766 and facilities which are certified for additional beds which may be
767 permitted a lower occupancy rate for the first three months of
768 operation after the effective date of licensure.

769 (15) The Commissioner of Social Services shall adjust facility rates
770 from April 1, 1999, to June 30, 1999, inclusive, by a per diem amount
771 representing each facility's allocation of funds appropriated for the
772 purpose of wage, benefit and staffing enhancement. A facility's per
773 diem allocation of such funding shall be computed as follows: (A) The
774 facility's direct and indirect component salary, wage, nursing pool and
775 allocated fringe benefit costs as filed for the 1998 cost report period
776 deemed allowable in accordance with this section and applicable
777 regulations without application of cost component maximums
778 specified in subdivision (3) of this subsection shall be totalled; (B) such
779 total shall be multiplied by the facility's Medicaid utilization based on
780 the 1998 cost report; (C) the resulting amount for the facility shall be
781 divided by the sum of the calculations specified in subparagraphs (A)
782 and (B) of this subdivision for all facilities to determine the facility's
783 percentage share of appropriated wage, benefit and staffing
784 enhancement funding; (D) the facility's percentage share shall be
785 multiplied by the amount of appropriated wage, benefit and staffing
786 enhancement funding to determine the facility's allocated amount; and
787 (E) such allocated amount shall be divided by the number of days of
788 care paid for by Medicaid on an annual basis including days for
789 reserved beds specified in the 1998 cost report to determine the per
790 diem wage and benefit rate adjustment amount. The commissioner
791 may adjust a facility's reported 1998 cost and utilization data for the

792 purposes of determining a facility's share of wage, benefit and staffing
793 enhancement funding when reported 1998 information is not
794 substantially representative of estimated cost and utilization data for
795 the fiscal year ending June 30, 2000, due to special circumstances
796 during the 1998 cost report period including change of ownership with
797 a part year cost filing or reductions in facility capacity due to facility
798 renovation projects. Upon completion of the calculation of the
799 allocation of wage, benefit and staffing enhancement funding, the
800 commissioner shall not adjust the allocations due to revisions
801 submitted to previously filed 1998 annual cost reports. In the event
802 that a facility's rate for the fiscal year ending June 30, 1999, is an
803 interim rate or the rate includes an increase adjustment due to a rate
804 request to the commissioner or other reasons, the commissioner may
805 reduce or withhold the per diem wage, benefit and staffing
806 enhancement allocation computed for the facility. Any enhancement
807 allocations not applied to facility rates shall not be reallocated to other
808 facilities and such unallocated amounts shall be available for the costs
809 associated with interim rates and other Medicaid expenditures. The
810 wage, benefit and staffing enhancement per diem adjustment for the
811 period from April 1, 1999, to June 30, 1999, inclusive, shall also be
812 applied to rates for the fiscal years ending June 30, 2000, and June 30,
813 2001, except that the commissioner may increase or decrease the
814 adjustment to account for changes in facility capacity or operations.
815 Any facility accepting a rate adjustment for wage, benefit and staffing
816 enhancements shall apply payments made as a result of such rate
817 adjustment for increased allowable employee wage rates and benefits
818 and additional direct and indirect component staffing. Adjustment
819 funding shall not be applied to wage and salary increases provided to
820 the administrator, assistant administrator, owners or related party
821 employees. Enhancement payments may be applied to increases in
822 costs associated with staffing purchased from staffing agencies
823 provided such costs are deemed necessary and reasonable by the
824 commissioner. The commissioner shall compare expenditures for
825 wages, benefits and staffing for the 1998 cost report period to such
826 expenditures in the 1999, 2000 and 2001 cost report periods to verify

827 whether a facility has applied additional payments to specified
828 enhancements. In the event that the commissioner determines that a
829 facility did not apply additional payments to specified enhancements,
830 the commissioner shall recover such amounts from the facility through
831 rate adjustments or other means. The commissioner may require
832 facilities to file cost reporting forms, in addition to the annual cost
833 report, as may be necessary, to verify the appropriate application of
834 wage, benefit and staffing enhancement rate adjustment payments. For
835 the purposes of this subdivision, "Medicaid utilization" means the
836 number of days of care paid for by Medicaid on an annual basis
837 including days for reserved beds as a percentage of total resident days.

838 (16) The interim rate established to become effective upon sale of
839 any licensed chronic and convalescent home or rest home with nursing
840 supervision for which a receivership has been imposed pursuant to
841 sections 19a-541 to 19a-549, inclusive, shall not exceed the rate in effect
842 for the facility at the time of the imposition of the receivership, subject
843 to any annual increases permitted by this section; provided if such rate
844 is less than the median rate for the facility's peer grouping, as defined
845 in subdivision (2) of this subsection, the Commissioner of Social
846 Services may, in the commissioner's discretion, establish an increased
847 rate for the facility not to exceed such median rate unless the Secretary
848 of the Office of Policy and Management, after review of area nursing
849 facility bed availability and other pertinent factors, authorizes the
850 Commissioner of Social Services to establish a rate higher than the
851 median rate.

852 (g) For the fiscal year ending June 30, 1993, any intermediate care
853 facility for the mentally retarded with an operating cost component of
854 its rate in excess of one hundred forty per cent of the median of
855 operating cost components of rates in effect January 1, 1992, shall not
856 receive an operating cost component increase. For the fiscal year
857 ending June 30, 1993, any intermediate care facility for the mentally
858 retarded with an operating cost component of its rate that is less than
859 one hundred forty per cent of the median of operating cost
860 components of rates in effect January 1, 1992, shall have an allowance

861 for real wage growth equal to thirty per cent of the increase
862 determined in accordance with subsection (q) of section 17-311-52 of
863 the regulations of Connecticut state agencies, provided such operating
864 cost component shall not exceed one hundred forty per cent of the
865 median of operating cost components in effect January 1, 1992. Any
866 facility with real property other than land placed in service prior to
867 October 1, 1991, shall, for the fiscal year ending June 30, 1995, receive a
868 rate of return on real property equal to the average of the rates of
869 return applied to real property other than land placed in service for the
870 five years preceding October 1, 1993. For the fiscal year ending June 30,
871 1996, and any succeeding fiscal year, the rate of return on real property
872 for property items shall be revised every five years. The commissioner
873 shall, upon submission of a request, allow actual debt service,
874 comprised of principal and interest, in excess of property costs allowed
875 pursuant to section 17-311-52 of the regulations of Connecticut state
876 agencies, provided such debt service terms and amounts are
877 reasonable in relation to the useful life and the base value of the
878 property. For the fiscal year ending June 30, 1995, and any succeeding
879 fiscal year, the inflation adjustment made in accordance with
880 subsection (p) of section 17-311-52 of the regulations of Connecticut
881 state agencies shall not be applied to real property costs. For the fiscal
882 year ending June 30, 1996, and any succeeding fiscal year, the
883 allowance for real wage growth, as determined in accordance with
884 subsection (q) of section 17-311-52 of the regulations of Connecticut
885 state agencies, shall not be applied. For the fiscal year ending June 30,
886 1996, and any succeeding fiscal year, no rate shall exceed three
887 hundred seventy-five dollars per day unless the commissioner, in
888 consultation with the Commissioner of Mental Retardation,
889 determines after a review of program and management costs, that a
890 rate in excess of this amount is necessary for care and treatment of
891 facility residents. For the fiscal year ending June 30, 2002, rate period,
892 the Commissioner of Social Services shall increase the inflation
893 adjustment for rates made in accordance with subsection (p) of section
894 17-311-52 of the regulations of Connecticut state agencies to update
895 allowable fiscal year 2000 costs to include a three and one-half per cent

896 inflation factor. For the fiscal year ending June 30, 2003, rate period, the
897 commissioner shall increase the inflation adjustment for rates made in
898 accordance with subsection (p) of section 17-311-52 of the regulations
899 of Connecticut state agencies to update allowable fiscal year 2001 costs
900 to include a one and one-half per cent inflation factor, except that such
901 increase shall be effective November 1, 2002, and such facility rate in
902 effect for the fiscal year ending June 30, 2002, shall be paid for services
903 provided until October 31, 2002, except any facility that would have
904 been issued a lower rate effective July 1, 2002, than for the fiscal year
905 ending June 30, 2002, due to interim rate status or agreement with the
906 department shall be issued such lower rate effective July 1, 2002, and
907 have such rate updated effective November 1, 2002, in accordance with
908 applicable statutes and regulations. For the fiscal year ending June 30,
909 2004, rates in effect for the period ending June 30, 2003, shall remain in
910 effect, except any facility that would have been issued a lower rate
911 effective July 1, 2003, than for the fiscal year ending June 30, 2003, due
912 to interim rate status or agreement with the department shall be issued
913 such lower rate effective July 1, 2003. Effective July 1, 2004, each facility
914 shall receive a rate that is three-quarters of one per cent greater than
915 the rate in effect June 30, 2004.

916 (h) (1) For the fiscal year ending June 30, 1993, any residential care
917 home with an operating cost component of its rate in excess of one
918 hundred thirty per cent of the median of operating cost components of
919 rates in effect January 1, 1992, shall not receive an operating cost
920 component increase. For the fiscal year ending June 30, 1993, any
921 residential care home with an operating cost component of its rate that
922 is less than one hundred thirty per cent of the median of operating cost
923 components of rates in effect January 1, 1992, shall have an allowance
924 for real wage growth equal to sixty-five per cent of the increase
925 determined in accordance with subsection (q) of section 17-311-52 of
926 the regulations of Connecticut state agencies, provided such operating
927 cost component shall not exceed one hundred thirty per cent of the
928 median of operating cost components in effect January 1, 1992.
929 Beginning with the fiscal year ending June 30, 1993, for the purpose of
930 determining allowable fair rent, a residential care home with allowable

931 fair rent less than the twenty-fifth percentile of the state-wide
932 allowable fair rent shall be reimbursed as having allowable fair rent
933 equal to the twenty-fifth percentile of the state-wide allowable fair
934 rent. Beginning with the fiscal year ending June 30, 1997, a residential
935 care home with allowable fair rent less than three dollars and ten cents
936 per day shall be reimbursed as having allowable fair rent equal to
937 three dollars and ten cents per day. Property additions placed in
938 service during the cost year ending September 30, 1996, or any
939 succeeding cost year shall receive a fair rent allowance for such
940 additions as an addition to three dollars and ten cents per day if the
941 fair rent for the facility for property placed in service prior to
942 September 30, 1995, is less than or equal to three dollars and ten cents
943 per day. For the fiscal year ending June 30, 1996, and any succeeding
944 fiscal year, the allowance for real wage growth, as determined in
945 accordance with subsection (q) of section 17-311-52 of the regulations
946 of Connecticut state agencies, shall not be applied. For the fiscal year
947 ending June 30, 1996, and any succeeding fiscal year, the inflation
948 adjustment made in accordance with subsection (p) of section
949 17-311-52 of the regulations of Connecticut state agencies shall not be
950 applied to real property costs. Beginning with the fiscal year ending
951 June 30, 1997, minimum allowable patient days for rate computation
952 purposes for a residential care home with twenty-five beds or less shall
953 be eighty-five per cent of licensed capacity. Beginning with the fiscal
954 year ending June 30, 2002, for the purposes of determining the
955 allowable salary of an administrator of a residential care home with
956 sixty beds or less the department shall revise the allowable base salary
957 to thirty-seven thousand dollars to be annually inflated thereafter in
958 accordance with section 17-311-52 of the regulations of Connecticut
959 state agencies. The rates for the fiscal year ending June 30, 2002, shall
960 be based upon the increased allowable salary of an administrator,
961 regardless of whether such amount was expended in the 2000 cost
962 report period upon which the rates are based. Beginning with the fiscal
963 year ending June 30, 2000, the inflation adjustment for rates made in
964 accordance with subsection (p) of section 17-311-52 of the regulations
965 of Connecticut state agencies shall be increased by two per cent, and

966 beginning with the fiscal year ending June 30, 2002, the inflation
967 adjustment for rates made in accordance with subsection (c) of said
968 section shall be increased by one per cent. Beginning with the fiscal
969 year ending June 30, 1999, for the purpose of determining the
970 allowable salary of a related party, the department shall revise the
971 maximum salary to twenty-seven thousand eight hundred fifty-six
972 dollars to be annually inflated thereafter in accordance with section
973 17-311-52 of the regulations of Connecticut state agencies and
974 beginning with the fiscal year ending June 30, 2001, such allowable
975 salary shall be computed on an hourly basis and the maximum
976 number of hours allowed for a related party other than the proprietor
977 shall be increased from forty hours to forty-eight hours per work week.

978 (2) The commissioner shall, upon determining that a loan to be
979 issued to a residential care home by the Connecticut Housing Finance
980 Authority is reasonable in relation to the useful life and property cost
981 allowance pursuant to section 17-311-52 of the regulations of
982 Connecticut state agencies, allow actual debt service, comprised of
983 principal, interest and a repair and replacement reserve on the loan, in
984 lieu of allowed property costs whether actual debt service is higher or
985 lower than such allowed property costs.

986 (i) Notwithstanding the provisions of this section, the
987 Commissioner of Social Services shall establish a fee schedule for
988 payments to be made to chronic disease hospitals associated with
989 chronic and convalescent nursing homes to be effective on and after
990 July 1, 1995. The fee schedule may be adjusted annually beginning July
991 1, 1997, to reflect necessary increases in the cost of services.

992 Sec. 12. Subsections (h) and (i) of section 17b-349 of the general
993 statutes, as amended by section 86 of public act 03-3 of the June 30
994 special session, are repealed and the following is substituted in lieu
995 thereof (*Effective October 1, 2004*):

996 (h) For the fiscal year ending June 30, 2004, [and,] any grant awards
997 made to a community health center or its successor for the purpose of
998 supporting the community health center infrastructure services to the

999 uninsured or expansion initiative projects shall be in the same
1000 proportion to its grant award made in the fiscal year ending June 30,
1001 2003, as the total appropriation for such grant awards for the fiscal
1002 year ending June 30, 2004, is to the total appropriation for such grant
1003 awards for the prior fiscal year, provided, if any portion of the amount
1004 is not required by a given community health center, the differential
1005 shall be distributed among all the other health centers according to
1006 their share of total funding.

1007 (i) For the fiscal year ending June 30, 2005, [and,] any grant awards
1008 made to a community health center or its successor for the purpose of
1009 supporting the community health center infrastructure services to the
1010 uninsured or expansion initiative projects shall be in the same
1011 proportion to its grant award made in the fiscal year ending June 30,
1012 2004, as the total appropriation for such grant awards for the fiscal
1013 year ending June 30, 2005, is to the total appropriation for such grant
1014 awards for the prior fiscal year, provided, if any portion of the amount
1015 is not required by a given community health center, the differential
1016 shall be distributed among all the other health centers according to
1017 their share of total funding.

1018 Sec. 13. Subsection (d) of section 17b-495 of the general statutes, as
1019 amended by section 10 of public act 03-268, is repealed and the
1020 following is substituted in lieu thereof (*Effective October 1, 2004*):

1021 (d) The commissioner shall submit biannual reports, in accordance
1022 with section 11-4a, to the Governor and the chairpersons of the joint
1023 standing committees of the General Assembly having cognizance of
1024 matters relating to appropriations and the budgets of state agencies
1025 and public health. [The] Each report shall include a copy of the most
1026 recent report of the fiscal intermediary, if any, and (1) the number of
1027 consumers eligible for the program, (2) the number of consumers
1028 utilizing the program, (3) an outline of and a report on the educational
1029 outreach program, (4) the number of appeals, (5) an outline of
1030 problems encountered in the administration of the program and
1031 suggested solutions and any recommendations to enhance the

1032 program.

1033 Sec. 14. Subsection (b) of section 17b-749 of the general statutes, as
1034 amended by section 16 of public act 03-2, is repealed and the following
1035 is substituted in lieu thereof (*Effective October 1, 2004*):

1036 (b) The commissioner shall establish income standards for
1037 applicants and recipients at a level to include a family with gross
1038 income up to fifty per cent of the state-wide median income, except the
1039 commissioner (1) may increase the income level to up to seventy-five
1040 per cent of the state-wide median income, (2) upon the request of the
1041 Commissioner of Children and Families, may waive the income
1042 standards for adoptive families so that children adopted on or after
1043 October 1, 1999, from the Department of Children and Families are
1044 eligible for the child care subsidy program, and (3) on and after March
1045 1, 2003, [the commissioner] shall reduce the income eligibility level to
1046 up to fifty-five per cent of the state-wide median income for applicants
1047 and recipients who qualify based on their loss of eligibility for
1048 temporary family assistance. The commissioner may adopt regulations
1049 in accordance with chapter 54 to establish income criteria and
1050 durational requirements for such waiver of income standards.

1051 Sec. 15. Subsection (b) of section 19a-545 of the general statutes, as
1052 amended by section 77 of public act 03-3 of the June 30 special session,
1053 is repealed and the following is substituted in lieu thereof (*Effective*
1054 *October 1, 2004*):

1055 (b) Not later than ninety days after appointment as a receiver, such
1056 receiver shall: (1) Determine whether the facility can continue to
1057 operate and provide adequate care to residents in substantial
1058 compliance with applicable federal and state law within the facility's
1059 state payments as established by the Commissioner of Social Services
1060 pursuant to subsection (f) of section 17b-340, as amended, together
1061 with income from self-pay residents, Medicare payments and other
1062 current income and shall report such determination to the court; and
1063 (2) seek facility purchase proposals. If the receiver determines that the
1064 facility will be unable to continue to operate in compliance with said

1065 requirements, the receiver shall request an immediate order of the
1066 court to close the facility and make arrangements for the orderly
1067 transfer of residents pursuant to subsection (a) of this section [;] unless
1068 the receiver determines that a transfer of the facility to a qualified
1069 purchaser is expected within ninety days. If a transfer is not completed
1070 within one hundred eighty days of the appointment of the receiver, the
1071 receiver shall request an immediate order of the court to close the
1072 facility and make arrangements for the orderly transfer of residents
1073 pursuant to subsection (a) of this section.

1074 Sec. 16. Subsection (c) of section 52-362d of the general statutes, as
1075 amended by section 1 of public act 03-109, is repealed and the
1076 following is substituted in lieu thereof (*Effective October 1, 2004*):

1077 (c) When any person redeems a winning lottery ticket worth five
1078 thousand dollars or more [;] at the central office of the Connecticut
1079 Lottery Corporation, the Connecticut Lottery Corporation shall check
1080 the name and other identifying information of such person against a
1081 list of obligors supplied by the Commissioner of Social Services. If such
1082 person is included on the list of obligors, the Connecticut Lottery
1083 Corporation shall request confirmation from the Commissioner of
1084 Social Services that such person is in fact an obligor, and upon
1085 notification by the Commissioner of Social Services that money is due
1086 from any such person as a result of a claim for support which has been
1087 assigned to the state pursuant to section 17b-77, or is to be paid to the
1088 state acting by and through the IV-D agency, the Connecticut Lottery
1089 Corporation shall withhold from any lottery winnings payable to such
1090 person under the provisions of chapter 226 or chapter 229a the amount
1091 of such claim for support owed to an individual for any portion of
1092 support which has not been assigned to the state and then the amount
1093 of such claim for support owed to the state, provided the Connecticut
1094 Lottery Corporation shall notify such person that (1) lottery winnings
1095 have been withheld as a result of the amount due for such support,
1096 and (2) such person has the right to a hearing before a hearing officer
1097 designated by the Commissioner of Social Services if such person
1098 contests the amount of the alleged claim for support. The Connecticut

1099 Lottery Corporation shall pay any such [persons] person in accordance
 1100 with any decisions of the hearing officer or the court upon appeal of
 1101 the hearing officer's decision.

1102 Sec. 17. Subsection (a) of section 17b-491 of the general statutes, as
 1103 amended by section 14 of public act 03-2, is repealed and the following
 1104 is substituted in lieu thereof (*Effective October 1, 2004*):

1105 (a) There shall be a "Connecticut Pharmaceutical Assistance
 1106 Contract to the Elderly and the Disabled Program" which shall be
 1107 within the Department of Social Services. The program shall consist of
 1108 payments by the state to pharmacies for the reasonable cost of
 1109 prescription drugs dispensed to eligible persons minus a copayment
 1110 charge. The pharmacy shall collect the copayment charge from the
 1111 eligible person at the time of each purchase of prescription drugs, and
 1112 shall not waive, discount or rebate in whole or in part such amount.
 1113 The copayment for each prescription shall be as follows:

1114 (1) Sixteen dollars and twenty-five cents if the participant is (A) not
 1115 married and has an annual income of less than twenty thousand three
 1116 hundred dollars, or (B) [is] married and has an annual income that,
 1117 when combined with the participant's spouse, is less than twenty-
 1118 seven thousand five hundred dollars.

1119 (2) Upon the granting of a federal waiver to expand the program in
 1120 accordance with section 17b-492, as amended, the copayment shall be
 1121 twenty dollars for a participant who is (A) not married and has an
 1122 annual income that equals or exceeds twenty thousand three hundred
 1123 dollars, or (B) married and has an annual income that, when combined
 1124 with the participant's spouse, equals or exceeds twenty-seven
 1125 thousand five hundred dollars.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>
Sec. 3	<i>October 1, 2004</i>
Sec. 4	<i>October 1, 2004</i>

Sec. 5	<i>October 1, 2004</i>
Sec. 6	<i>October 1, 2004</i>
Sec. 7	<i>October 1, 2004</i>
Sec. 8	<i>October 1, 2004</i>
Sec. 9	<i>October 1, 2004</i>
Sec. 10	<i>October 1, 2004</i>
Sec. 11	<i>October 1, 2004</i>
Sec. 12	<i>October 1, 2004</i>
Sec. 13	<i>October 1, 2004</i>
Sec. 14	<i>October 1, 2004</i>
Sec. 15	<i>October 1, 2004</i>
Sec. 16	<i>October 1, 2004</i>
Sec. 17	<i>October 1, 2004</i>

HS *Joint Favorable Subst.*

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: None

Municipal Impact: None

Explanation

This bill makes various changes that make technical corrections and conform statute to current practices. There is no associated fiscal impact.

OLR Bill Analysis

sSB 414

AN ACT CONCERNING TECHNICAL REVISIONS TO THE HUMAN SERVICES STATUTES**SUMMARY:**

Under current practice, when indigent people die in a town and do not have enough money to pay for a funeral, the Department of Social Services (DSS) commissioner pays up to \$1,200. The bill conforms the statute to this practice by shifting the statutory responsibility to pay the funeral home, cemetery, or crematorium, as the case may be, from the town's chief executive officer to the DSS commissioner.

It also makes a number of technical changes in the statutes governing the Board of Education and Services for the Blind, Temporary Family Assistance, State-Administered General Assistance, Medicaid, HUSKY, the state-wide dental plan, long-term care facility rates, ConnPACE, the child care subsidy program, nursing home receivers, offsets for child support arrearage from lottery winnings, and community health center grants.

EFFECTIVE DATE: October 1, 2004

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 0