



General Assembly

February Session, 2006

Raised Bill No. 5530

LCO No. 1971

01971_____HS_

Referred to Committee on Human Services

Introduced by:
(HS)

AN ACT CONCERNING THE ADMINISTRATION OF LOW-INCOME HOME ENERGY ASSISTANCE PROGRAMS AND ENERGY COSTS INCURRED BY NURSING HOME FACILITIES.

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

1 Section 1. Section 16a-41a of the 2006 supplement to the general
2 statutes is amended by adding subsection (c) as follows (*Effective July 1,*
3 *2006*):

4 (NEW) (c) To the extent permitted by federal law, any person
5 applying for assistance available pursuant to this section, who is sixty-
6 five years of age or older or who is disabled, shall be allowed to deduct
7 from such applicant's annual income verifiable unreimbursed
8 prescription drug expenses incurred by such applicant during the
9 twelve-month period preceding the date of application. Any applicant
10 making such income deduction shall submit, at the time of application,
11 documentation of the claimed unreimbursed prescription drug
12 expenses to the Department of Social Services.

13 Sec. 2. Subsection (a) of section 17b-801 of the general statutes is
14 repealed and the following is substituted in lieu thereof (*Effective July*

15 1, 2006):

16 (a) The Commissioner of Social Services shall administer a state-
17 appropriated fuel assistance program to provide, within available
18 appropriations, fuel assistance to elderly and disabled persons whose
19 household gross income is above the income eligibility guidelines for
20 the Connecticut energy assistance program but does not exceed two
21 hundred per cent of federal poverty guidelines. The income eligibility
22 guidelines for the state-appropriated fuel assistance program shall be
23 determined, annually, by the Commissioner of Social Services, in
24 conjunction with the Secretary of the Office of Policy and
25 Management. Any person applying for assistance available pursuant
26 to this subsection shall be allowed to deduct from such applicant's
27 annual income verifiable unreimbursed prescription drug expenses
28 incurred by such applicant during the twelve-month period preceding
29 the date of application. Any applicant making such income deduction
30 shall submit, at the time of application, documentation of the claimed
31 unreimbursed prescription drug expenses to the Department of Social
32 Services. The commissioner may adopt regulations, in accordance with
33 the provisions of chapter 54, to implement the provisions of this
34 subsection.

35 Sec. 3. Subdivision (4) of subsection (f) of section 17b-340 of the 2006
36 supplement to the general statutes is repealed and the following is
37 substituted in lieu thereof (*Effective July 1, 2006*):

38 (4) For the fiscal year ending June 30, 1992, (A) no facility shall
39 receive a rate that is less than the rate it received for the rate year
40 ending June 30, 1991; (B) no facility whose rate, if determined pursuant
41 to this subsection, would exceed one hundred twenty per cent of the
42 state-wide median rate, as determined pursuant to this subsection,
43 shall receive a rate which is five and one-half per cent more than the
44 rate it received for the rate year ending June 30, 1991; and (C) no
45 facility whose rate, if determined pursuant to this subsection, would be
46 less than one hundred twenty per cent of the state-wide median rate,

47 as determined pursuant to this subsection, shall receive a rate which is
48 six and one-half per cent more than the rate it received for the rate year
49 ending June 30, 1991. For the fiscal year ending June 30, 1993, no
50 facility shall receive a rate that is less than the rate it received for the
51 rate year ending June 30, 1992, or six per cent more than the rate it
52 received for the rate year ending June 30, 1992. For the fiscal year
53 ending June 30, 1994, no facility shall receive a rate that is less than the
54 rate it received for the rate year ending June 30, 1993, or six per cent
55 more than the rate it received for the rate year ending June 30, 1993.
56 For the fiscal year ending June 30, 1995, no facility shall receive a rate
57 that is more than five per cent less than the rate it received for the rate
58 year ending June 30, 1994, or six per cent more than the rate it received
59 for the rate year ending June 30, 1994. For the fiscal years ending June
60 30, 1996, and June 30, 1997, no facility shall receive a rate that is more
61 than three per cent more than the rate it received for the prior rate
62 year. For the fiscal year ending June 30, 1998, a facility shall receive a
63 rate increase that is not more than two per cent more than the rate that
64 the facility received in the prior year. For the fiscal year ending June
65 30, 1999, a facility shall receive a rate increase that is not more than
66 three per cent more than the rate that the facility received in the prior
67 year and that is not less than one per cent more than the rate that the
68 facility received in the prior year, exclusive of rate increases associated
69 with a wage, benefit and staffing enhancement rate adjustment added
70 for the period from April 1, 1999, to June 30, 1999, inclusive. For the
71 fiscal year ending June 30, 2000, each facility, except a facility with an
72 interim rate or replaced interim rate for the fiscal year ending June 30,
73 1999, and a facility having a certificate of need or other agreement
74 specifying rate adjustments for the fiscal year ending June 30, 2000,
75 shall receive a rate increase equal to one per cent applied to the rate the
76 facility received for the fiscal year ending June 30, 1999, exclusive of
77 the facility's wage, benefit and staffing enhancement rate adjustment.
78 For the fiscal year ending June 30, 2000, no facility with an interim rate,
79 replaced interim rate or scheduled rate adjustment specified in a
80 certificate of need or other agreement for the fiscal year ending June

81 30, 2000, shall receive a rate increase that is more than one per cent
82 more than the rate the facility received in the fiscal year ending June
83 30, 1999. For the fiscal year ending June 30, 2001, each facility, except a
84 facility with an interim rate or replaced interim rate for the fiscal year
85 ending June 30, 2000, and a facility having a certificate of need or other
86 agreement specifying rate adjustments for the fiscal year ending June
87 30, 2001, shall receive a rate increase equal to two per cent applied to
88 the rate the facility received for the fiscal year ending June 30, 2000,
89 subject to verification of wage enhancement adjustments pursuant to
90 subdivision (15) of this subsection. For the fiscal year ending June 30,
91 2001, no facility with an interim rate, replaced interim rate or
92 scheduled rate adjustment specified in a certificate of need or other
93 agreement for the fiscal year ending June 30, 2001, shall receive a rate
94 increase that is more than two per cent more than the rate the facility
95 received for the fiscal year ending June 30, 2000. For the fiscal year
96 ending June 30, 2002, each facility shall receive a rate that is two and
97 one-half per cent more than the rate the facility received in the prior
98 fiscal year. For the fiscal year ending June 30, 2003, each facility shall
99 receive a rate that is two per cent more than the rate the facility
100 received in the prior fiscal year, except that such increase shall be
101 effective January 1, 2003, and such facility rate in effect for the fiscal
102 year ending June 30, 2002, shall be paid for services provided until
103 December 31, 2002, except any facility that would have been issued a
104 lower rate effective July 1, 2002, than for the fiscal year ending June 30,
105 2002, due to interim rate status or agreement with the department shall
106 be issued such lower rate effective July 1, 2002, and have such rate
107 increased two per cent effective June 1, 2003. For the fiscal year ending
108 June 30, 2004, rates in effect for the period ending June 30, 2003, shall
109 remain in effect, except any facility that would have been issued a
110 lower rate effective July 1, 2003, than for the fiscal year ending June 30,
111 2003, due to interim rate status or agreement with the department shall
112 be issued such lower rate effective July 1, 2003. For the fiscal year
113 ending June 30, 2005, rates in effect for the period ending June 30, 2004,
114 shall remain in effect until December 31, 2004, except any facility that

115 would have been issued a lower rate effective July 1, 2004, than for the
116 fiscal year ending June 30, 2004, due to interim rate status or
117 agreement with the department shall be issued such lower rate
118 effective July 1, 2004. Effective January 1, 2005, each facility shall
119 receive a rate that is one per cent greater than the rate in effect
120 December 31, 2004. Effective upon receipt of all the necessary federal
121 approvals to secure federal financial participation matching funds
122 associated with the rate increase provided in this subdivision, but in
123 no event earlier than July 1, 2005, and provided the user fee imposed
124 under section 17b-320 of the 2006 supplement to the general statutes is
125 required to be collected, for the fiscal year ending June 30, 2006, the
126 department shall compute the rate for each facility based upon its 2003
127 cost report filing or, a subsequent cost year filing for facilities having
128 an interim rate for the period ending June 30, 2005, as provided under
129 section 17-311-55 of the regulations of Connecticut state agencies. For
130 each facility not having an interim rate for the period ending June 30,
131 2005, the rate for the period ending June 30, 2006, shall be determined
132 beginning with the higher of the computed rate based upon its 2003
133 cost report filing or the rate in effect for the period ending June 30,
134 2005. Such rate shall then be increased by ~~[\$11.80]~~ eleven dollars and
135 eighty cents per day except that in no event shall the rate for the period
136 ending June 30, 2006, be ~~[\$32.00]~~ thirty-two dollars more than the rate
137 in effect for the period ending June 30, 2005, and for any facility with a
138 rate below ~~[\$195.00]~~ one hundred ninety-five dollars per day for the
139 period ending June 30, 2005, such rate for the period ending June 30,
140 2006, shall not be greater than ~~[\$217.43]~~ two hundred seventeen dollars
141 and forty-three cents per day and for any facility with a rate equal to or
142 greater than ~~[\$195.00]~~ one hundred ninety-five dollars per day for the
143 period ending June 30, 2005, such rate for the period ending June 30,
144 2006, shall not exceed the rate in effect for the period ending June 30,
145 2005, increased by eleven and one-half per cent. For each facility with
146 an interim rate for the period ending June 30, 2005, the interim
147 replacement rate for the period ending June 30, 2006, shall not exceed
148 the rate in effect for the period ending June 30, 2005, increased by

149 [\$11.80] eleven dollars and eighty cents per day plus the per day cost
150 of the user fee payments made pursuant to section 17b-320 of the 2006
151 supplement to the general statutes divided by annual resident service
152 days, except for any facility with an interim rate below [\$195.00] one
153 hundred ninety-five dollars per day for the period ending June 30,
154 2005, the interim replacement rate for the period ending June 30, 2006,
155 shall not be greater than [\$217.43] two hundred seventeen dollars and
156 forty-three cents per day and for any facility with an interim rate equal
157 to or greater than [\$195.00] one hundred ninety-five dollars per day for
158 the period ending June 30, 2005, the interim replacement rate for the
159 period ending June 30, 2006, shall not exceed the rate in effect for the
160 period ending June 30, 2005, increased by eleven and one-half per cent.
161 Such July 1, 2005, rate adjustments shall remain in effect unless (i) the
162 federal financial participation matching funds associated with the rate
163 increase are no longer available; or (ii) the user fee created pursuant to
164 section 17b-320 of the 2006 supplement to the general statutes is not in
165 effect. For fiscal year ending June 30, 2007, all facility rates in effect for
166 the period ending June 30, 2006, shall remain in effect, except for any
167 facility that would have been issued a lower rate effective July 1, 2006,
168 than for the rate period ending June 30, 2006, due to interim rate status
169 or agreement with the department, shall be issued such lower rate
170 effective July 1, 2006. For the fiscal year ending June 30, 2007, and for
171 each fiscal year thereafter, the Commissioner of Social Services shall
172 adjust rates established pursuant to this subdivision to reimburse
173 facilities for energy costs incurred during the preceding fiscal year.
174 Such energy reimbursement costs shall not be subject to the maximum
175 allowable costs pursuant to subdivision (3) of this subsection, rate
176 increase limits under this subdivision or any other limitation set forth
177 in the general statutes or the regulations of state agencies. The
178 [Commissioner of Social Services] commissioner shall add fair rent
179 increases to any other rate increases established pursuant to this
180 subdivision for a facility which has undergone a material change in
181 circumstances related to fair rent. Interim rates may take into account
182 reasonable costs incurred by a facility, including wages and benefits.

183 Sec. 4. Subdivision (1) of subsection (h) of section 17b-340 of the
184 2006 supplement to the general statutes is repealed and the following
185 is substituted in lieu thereof (*Effective July 1, 2006*):

186 (h) (1) For the fiscal year ending June 30, 1993, any residential care
187 home with an operating cost component of its rate in excess of one
188 hundred thirty per cent of the median of operating cost components of
189 rates in effect January 1, 1992, shall not receive an operating cost
190 component increase. For the fiscal year ending June 30, 1993, any
191 residential care home with an operating cost component of its rate that
192 is less than one hundred thirty per cent of the median of operating cost
193 components of rates in effect January 1, 1992, shall have an allowance
194 for real wage growth equal to sixty-five per cent of the increase
195 determined in accordance with subsection (q) of section 17-311-52 of
196 the regulations of Connecticut state agencies, provided such operating
197 cost component shall not exceed one hundred thirty per cent of the
198 median of operating cost components in effect January 1, 1992.
199 Beginning with the fiscal year ending June 30, 1993, for the purpose of
200 determining allowable fair rent, a residential care home with allowable
201 fair rent less than the twenty-fifth percentile of the state-wide
202 allowable fair rent shall be reimbursed as having allowable fair rent
203 equal to the twenty-fifth percentile of the state-wide allowable fair
204 rent. Beginning with the fiscal year ending June 30, 1997, a residential
205 care home with allowable fair rent less than three dollars and ten cents
206 per day shall be reimbursed as having allowable fair rent equal to
207 three dollars and ten cents per day. Property additions placed in
208 service during the cost year ending September 30, 1996, or any
209 succeeding cost year shall receive a fair rent allowance for such
210 additions as an addition to three dollars and ten cents per day if the
211 fair rent for the facility for property placed in service prior to
212 September 30, 1995, is less than or equal to three dollars and ten cents
213 per day. For the fiscal year ending June 30, 1996, and any succeeding
214 fiscal year, the allowance for real wage growth, as determined in
215 accordance with subsection (q) of section 17-311-52 of the regulations
216 of Connecticut state agencies, shall not be applied. For the fiscal year

217 ending June 30, 1996, and any succeeding fiscal year, the inflation
218 adjustment made in accordance with subsection (p) of section
219 17-311-52 of the regulations of Connecticut state agencies shall not be
220 applied to real property costs. Beginning with the fiscal year ending
221 June 30, 1997, minimum allowable patient days for rate computation
222 purposes for a residential care home with twenty-five beds or less shall
223 be eighty-five per cent of licensed capacity. Beginning with the fiscal
224 year ending June 30, 2002, for the purposes of determining the
225 allowable salary of an administrator of a residential care home with
226 sixty beds or less the department shall revise the allowable base salary
227 to thirty-seven thousand dollars to be annually inflated thereafter in
228 accordance with section 17-311-52 of the regulations of Connecticut
229 state agencies. The rates for the fiscal year ending June 30, 2002, shall
230 be based upon the increased allowable salary of an administrator,
231 regardless of whether such amount was expended in the 2000 cost
232 report period upon which the rates are based. Beginning with the fiscal
233 year ending June 30, 2000, the inflation adjustment for rates made in
234 accordance with subsection (p) of section 17-311-52 of the regulations
235 of Connecticut state agencies shall be increased by two per cent, and
236 beginning with the fiscal year ending June 30, 2002, the inflation
237 adjustment for rates made in accordance with subsection (c) of said
238 section shall be increased by one per cent. Beginning with the fiscal
239 year ending June 30, 1999, for the purpose of determining the
240 allowable salary of a related party, the department shall revise the
241 maximum salary to twenty-seven thousand eight hundred fifty-six
242 dollars to be annually inflated thereafter in accordance with section
243 17-311-52 of the regulations of Connecticut state agencies and
244 beginning with the fiscal year ending June 30, 2001, such allowable
245 salary shall be computed on an hourly basis and the maximum
246 number of hours allowed for a related party other than the proprietor
247 shall be increased from forty hours to forty-eight hours per work week.
248 For the fiscal year ending June 30, 2005, each facility shall receive a rate
249 that is two and one-quarter per cent more than the rate the facility
250 received in the prior fiscal year, except any facility that would have

251 been issued a lower rate effective July 1, 2004, than for the fiscal year
252 ending June 30, 2004, due to interim rate status or agreement with the
253 department shall be issued such lower rate effective July 1, 2004.
254 Effective upon receipt of all the necessary federal approvals to secure
255 federal financial participation matching funds associated with the rate
256 increase provided in subdivision (4) of subsection (f) of this section,
257 but in no event earlier than October 1, 2005, and provided the user fee
258 imposed under section 17b-320 is required to be collected, each facility
259 shall receive a rate that is determined in accordance with applicable
260 law and subject to appropriations, except any facility that would have
261 been issued a lower rate effective October 1, 2005, than for the fiscal
262 year ending June 30, 2005, due to interim rate status or agreement with
263 the department, shall be issued such lower rate effective October 1,
264 2005. Such rate increase shall remain in effect unless: (A) The federal
265 financial participation matching funds associated with the rate increase
266 are no longer available; or (B) the user fee created pursuant to section
267 17b-320 is not in effect. For the fiscal year ending June 30, 2007, rates in
268 effect for the period ending June 30, 2006, shall remain in effect, except
269 any facility that would have been issued a lower rate effective July 1,
270 2006, than for the fiscal year ending June 30, 2006, due to interim rate
271 status or agreement with the department, shall be issued such lower
272 rate effective July 1, 2006. For the fiscal year ending June 30, 2007, and
273 for each fiscal year thereafter, the Commissioner of Social Services
274 shall adjust rates established pursuant to this subdivision to reimburse
275 any facility for energy costs incurred during the preceding fiscal year.
276 Such energy reimbursement costs shall not be subject to the maximum
277 allowable costs pursuant to subdivision (3) of subsection (f) of this
278 section, rate increase limits under this subdivision or any other
279 limitation set forth in the general statutes or the regulations of state
280 agencies.

281 Sec. 5. (*Effective July 1, 2006*) The sum of ____ dollars is appropriated
282 to the Department of Social Services, from the General Fund, for the
283 fiscal year ending June 30, 2007, for the purpose of increasing state
284 assistance to those eligible for the low-income home energy assistance

285 program, operated in accordance with section 16a-41a of the general
286 statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2006</i>	16a-41a
Sec. 2	<i>July 1, 2006</i>	17b-801(a)
Sec. 3	<i>July 1, 2006</i>	17b-340(f)(4)
Sec. 4	<i>July 1, 2006</i>	17b-340(h)(1)
Sec. 5	<i>July 1, 2006</i>	New section

Statement of Purpose:

To: (1) Permit elderly and disabled persons to deduct unreimbursed prescription drug costs from their income when applying for low-income home energy assistance program benefits, (2) allow the Commissioner of Social Services to adjust the rates of certain nursing home facilities to reflect the increased energy cost paid by such facilities, and (3) provide increased appropriations for the low-income home energy assistance program.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]