



General Assembly

February Session, 2006

**Raised Bill No. 5530**

LCO No. 1971

\* \_\_\_\_\_HB05530HS\_APP031506\_\_\_\_\_\*

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14 repealed and the following is substituted in lieu thereof (*Effective July*  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	July 1, 2006	16a-41a
Sec. 2	July 1, 2006	17b-801(a)
Sec. 3	July 1, 2006	17b-340(f)(4)

Sec. 4	<i>July 1, 2006</i>	17b-340(h)(1)
Sec. 5	<i>July 1, 2006</i>	New section

**HS**

*Joint Favorable C/R*

APP