



General Assembly

January Session, 2007

Committee Bill No. 303

LCO No. 5896

* _____SB00303HS_APP032007_____*

Referred to Committee on Human Services

Introduced by:
(HS)

**AN ACT CONCERNING THE OPERATING EXPENSES OF
RESIDENTIAL CARE HOMES.**

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

1 Section 1. Subdivision (1) of subsection (h) of section 17b-340 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective July 1, 2007*):

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

17 Beginning with the fiscal year ending June 30, 1993, for the purpose of
18 determining allowable fair rent, a residential care home with allowable
19 fair rent less than the twenty-fifth percentile of the state-wide
20 allowable fair rent shall be reimbursed as having allowable fair rent
21 equal to the twenty-fifth percentile of the state-wide allowable fair
22 rent.] Beginning with the fiscal year ending June 30, [1997] 2008, a
23 residential care home with allowable fair rent less than [three] five
24 dollars and ten cents per day shall be reimbursed as having allowable
25 fair rent equal to [three] five dollars and ten cents per day. Property
26 additions placed in service during the cost year ending September 30,
27 [1996] 2007, or any succeeding cost year shall receive a fair rent
28 allowance for such additions as an addition to [three] five dollars and
29 ten cents per day if the fair rent for the facility for property placed in
30 service prior to September 30, [1995] 2007, is less than or equal to
31 [three] five dollars and ten cents per day. For the fiscal year ending
32 June 30, 1996, and any succeeding fiscal year, the allowance for real
33 wage growth, as determined in accordance with subsection (q) of
34 section 17-311-52 of the regulations of Connecticut state agencies, shall
35 not be applied. For the fiscal year ending June 30, 1996, and any
36 succeeding fiscal year, the inflation adjustment made in accordance
37 with subsection (p) of section 17-311-52 of the regulations of
38 Connecticut state agencies shall not be applied to real property costs.
39 Beginning with the fiscal year ending June 30, 1997, minimum
40 allowable patient days for rate computation purposes for a residential
41 care home with twenty-five beds or less shall be eighty-five per cent of
42 licensed capacity. Beginning with the fiscal year ending June 30, [2002]
43 2008, for the purposes of determining the allowable salary of an
44 administrator of a residential care home with sixty beds or less the
45 department shall revise the allowable base salary to [thirty-seven]
46 forty-eight thousand dollars to be annually inflated thereafter in
47 accordance with section 17-311-52 of the regulations of Connecticut
48 state agencies. The rates for the fiscal year ending June 30, 2002, shall
49 be based upon the increased allowable salary of an administrator,
50 regardless of whether such amount was expended in the 2000 cost
51 report period upon which the rates are based. Beginning with the fiscal

52 year ending June 30, 2000, the inflation adjustment for rates made in
53 accordance with subsection (p) of section 17-311-52 of the regulations
54 of Connecticut state agencies shall be increased by two per cent, and
55 beginning with the fiscal year ending June 30, 2002, the inflation
56 adjustment for rates made in accordance with subsection (c) of said
57 section shall be increased by one per cent. Beginning with the fiscal
58 year ending June 30, 1999, for the purpose of determining the
59 allowable salary of a related party, the department shall revise the
60 maximum salary to twenty-seven thousand eight hundred fifty-six
61 dollars to be annually inflated thereafter in accordance with section
62 17-311-52 of the regulations of Connecticut state agencies and
63 beginning with the fiscal year ending June 30, 2001, such allowable
64 salary shall be computed on an hourly basis and the maximum
65 number of hours allowed for a related party other than the proprietor
66 shall be increased from forty hours to forty-eight hours per work week.
67 For the fiscal year ending June 30, 2005, each facility shall receive a rate
68 that is two and one-quarter per cent more than the rate the facility
69 received in the prior fiscal year, except any facility that would have
70 been issued a lower rate effective July 1, 2004, than for the fiscal year
71 ending June 30, 2004, due to interim rate status or agreement with the
72 department shall be issued such lower rate effective July 1, 2004.
73 Effective upon receipt of all the necessary federal approvals to secure
74 federal financial participation matching funds associated with the rate
75 increase provided in subdivision (4) of subsection (f) of this section,
76 but in no event earlier than October 1, 2005, and provided the user fee
77 imposed under section 17b-320 is required to be collected, each facility
78 shall receive a rate that is determined in accordance with applicable
79 law and subject to appropriations, except any facility that would have
80 been issued a lower rate effective October 1, 2005, than for the fiscal
81 year ending June 30, 2005, due to interim rate status or agreement with
82 the department, shall be issued such lower rate effective October 1,
83 2005. Such rate increase shall remain in effect unless: (A) The federal
84 financial participation matching funds associated with the rate increase
85 are no longer available; or (B) the user fee created pursuant to section
86 17b-320 is not in effect. For the fiscal year ending June 30, 2007, rates in

87 effect for the period ending June 30, 2006, shall remain in effect until
 88 September 30, 2006, except any facility that would have been issued a
 89 lower rate effective July 1, 2006, than for the fiscal year ending June 30,
 90 2006, due to interim rate status or agreement with the department,
 91 shall be issued such lower rate effective July 1, 2006. Effective October
 92 1, 2006, no facility shall receive a rate that is more than four per cent
 93 greater than the rate in effect for the facility on September 30, 2006,
 94 except for any facility that would have been issued a lower rate
 95 effective October 1, 2006, due to interim rate status or agreement with
 96 the department, shall be issued such lower rate effective October 1,
 97 2006. For the fiscal year ending June 30, 2008, the per diem rate that
 98 each residential care facility is to receive based on the cost report of
 99 September 30, 2006, shall be increased in accordance with this
 100 subparagraph. The Commissioner of Social Services shall rank each
 101 residential care home rate based on the cost report of September 30,
 102 2006, from the residential care home that receives the highest rate to
 103 the residential care home that receives the lowest rate. The
 104 commissioner shall divide the residential care homes into three equal
 105 groups based on such ranking and shall increase the per diem rate for
 106 each residential care home as follows: For the group of residential care
 107 homes with the highest rates, a fifty-cent per diem increase; for the
 108 middle group of homes, a one-dollar per diem increase; for the group
 109 of homes with the lowest rates, a two-dollar per diem increase.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	17b-340(h)(1)

HS

Joint Favorable C/R

APP