



General Assembly

**Substitute Bill No. 1336**

January Session, 2007

\* \_\_\_\_\_SB01336HS\_APP032207\_\_\_\_\_\*

**AN ACT CONCERNING THE OPERATION OF NURSING HOMES  
DURING PERIOD OF RECEIVERSHIP.**

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

1 Section 1. Subsection (b) of section 19a-545 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July*  
3 *1, 2007*):

4 (b) Not later than ninety days after appointment as a receiver, such  
5 receiver shall take all necessary steps to immediately stabilize the  
6 operation of the facility in order to ensure the health, safety and  
7 welfare of the residents of such facility. In addition, within a  
8 reasonable time period after the date of appointment, not to exceed six  
9 months, the receiver shall: (1) Determine whether the facility can  
10 continue to operate and provide adequate care to residents in  
11 substantial compliance with applicable federal and state law [within  
12 the facility's state payments as established by the Commissioner of  
13 Social Services pursuant to subsection (f) of section 17b-340, together  
14 with income from self-pay residents, Medicare payments and other  
15 current income] and shall report such determination to the court; [and]  
16 (2) determine the amount of state payments that would be necessary to  
17 continue to operate the facility in a manner that provides adequate  
18 care to residents in compliance with applicable federal and state law,  
19 together with income from self-pay residents, Medicare payments and

20 other current income, if the existing rate is determined by the receiver  
21 to be inadequate to continue the facility's operations, and shall report  
22 such determination to the court; and (3) seek facility purchase  
23 proposals. If the receiver determines that the facility will be unable to  
24 continue to operate in compliance with said requirements, the receiver  
25 shall [request an immediate order of the court] file a certificate of need  
26 application in accordance with the provisions of section 17b-352 to  
27 close the facility and, if granted, make arrangements for the orderly  
28 transfer of residents pursuant to subsection (a) of this section unless  
29 the receiver determines that a transfer of the facility to a qualified  
30 purchaser is expected [within ninety days] during the six-month  
31 period commencing on the date of the receiver's appointment or  
32 within a reasonable period of time if beyond six months. If a transfer is  
33 not completed within [one hundred eighty days of the appointment of  
34 the receiver] such six-month period and all purchase and sale proposal  
35 efforts have been exhausted, the receiver shall request an immediate  
36 order of the court to close the facility and make arrangements for the  
37 orderly transfer of residents pursuant to subsection (a) of this section.

38 Sec. 2. Subdivision (16) of subsection (f) of section 17b-340 of the  
39 general statutes is repealed and the following is substituted in lieu  
40 thereof (*Effective July 1, 2007*):

41 (16) The interim rate established to become effective upon sale of  
42 any licensed chronic and convalescent home or rest home with nursing  
43 supervision for which a receivership has been imposed pursuant to  
44 sections 19a-541 to 19a-549, inclusive, shall not exceed the rate in effect  
45 for the facility at the time of the imposition of the receivership, subject  
46 to any annual increases permitted by this section; provided [if such  
47 rate is less than the median rate for the facility's peer grouping, as  
48 defined in subdivision (2) of this subsection,] the Commissioner of  
49 Social Services may, in the commissioner's discretion, and after  
50 consultation with the receiver, establish an increased rate for the  
51 facility [not to exceed such median rate unless the Secretary of the  
52 Office of Policy and Management, after review of area nursing facility

53 bed availability and other pertinent factors, authorizes the  
54 Commissioner of Social Services to establish a rate higher than the  
55 median rate. In the event the rate in effect for the facility at the time of  
56 imposition of the receivership is greater than the median rate for the  
57 facility's peer grouping, as defined in subdivision (2) of this subsection,  
58 the Secretary of the Office of Policy and Management, after review of  
59 area nursing facility bed availability and other pertinent factors, may  
60 authorize the Commissioner of Social Services to establish an increased  
61 interim rate] if the commissioner determines that such higher rate is  
62 needed to ensure the health, safety and welfare of the residents at such  
63 facility.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2007	19a-545(b)
Sec. 2	July 1, 2007	17b-340(f)(16)

**HS**

*Joint Favorable Subst. C/R*

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