

**Testimony to be Presented by Louis Goldberg, Chairman of the Board
of Directors and/or Beth Goldstein, President and CEO of the Jewish
Home for the Aged to the Human Services Committee of the General
Assembly (Tuesday, February 6, 2007, 9:00 a.m.);
Room 2B of the Legislative Office Building, Hartford, Connecticut**

Good morning, Co-chairpersons and members of the Human Services Committee. My name is Beth Goldstein and I am the President and CEO of the Jewish Home for the Aged, Inc. ("JHA"). I am pleased to appear before you to testify in support of favorable action on proposed Bill No. 373. With me this morning is Mr. Louis Goldberg, the Chairman of the JHA's Board of Directors. We have prepared and have submitted 50 copies of our prepared testimony to the Committee staff and would appreciate the Committee including that written testimony as part of the legislative record of this hearing.

We urge a favorable report on Bill No. 373. This Bill, if enacted, would allow the Department of Social Services (DSS) to consider and, if statutory standards are met, to approve an application by the JHA to construct a new facility at another location. For reasons we will discuss here, we believe that the construction of a new facility may be essential to the long-term survival of the Home. We also believe that a new facility will substantially improve the quality of life of our residents. Passage of Bill No. 373 would allow the JHA to demonstrate to the DSS that construction of a new facility is consistent with the best interests of the Home, its residents, employees and the health care delivery system.

First, some background. The JHA is organized as a non profit tax exempt section 501 (c) (3) corporation. Its original corporate purpose was to provide healthcare services to members of the New Haven aged and infirm Jewish community. The Home is licensed for 226 nursing home beds. However, due to demographic and societal changes, the Home is no longer exclusively dedicated to serving the Jewish population. The Home now serves New Haven and area residents and their families without regard to each applicant's religious or faith-based affiliations. Eighty-five percent (85%) of its inpatient population are persons whose care is reimbursed through the Medicaid program. The heavy dependence on Medicaid reimbursement, which is lower than private pay reimbursement, has had a serious effect on the financial condition of the JHA.

We support proposed Bill 373, which creates a limited exception to the current statutory moratorium, in existence since 1991, on the construction of new nursing home beds. Section 17b-354 of the Connecticut General Statutes currently prohibits JHA and any other Medicaid certified and Department of Public Health ("DPH") licensed nursing facilities from relocating to a new site. The statute provides that DSS "shall not accept or approve any requests for additional nursing home beds or modify the capital cost of any prior approval for the period from September 4, 1991 through June 30, 2007." This nursing home construction moratorium is likely to be continued by the DSS' introduction of proposed legislation that will extend the moratorium beyond the July 1, 2007 expiration date. Therefore, unless the limited exception contained in Bill No. 373 is enacted, the JHA, a financially distressed nursing home which is fiscally overburdened because it receives lower Medicaid reimbursement for 85% of its residents, will continue

to be prohibited from relocating to a more appropriate location which, as discussed below, may allow it to increase its private pay census and otherwise better meet its needs.

An important reason why the JHA wishes to move to a new location is to reduce its dependence on Medicaid reimbursement. The JHA is at a difficult financial crossroad which underscores the homes responsibility to seek a greater number of private pay patients by relocating the JHA to a more appropriate location. The DSS also has an interest in the reduction of Medicaid reimbursement expenditures. We believe that a Joint Favorable report on proposed Bill No. 373 by this Committee, and by the General Assembly, is justified if the Committee considers the overlapping and common financial interest objectives of both the JHA and of the DSS. Of course, Medicaid patients will continue to be cared for at the new location, and will be admitted in accordance with Connecticut's "waiting list" law, i.e. Section 19a-533 of the Connecticut General Statutes.

We believe that the ability to attract more private pay patients requires a move to a new location. Although the Home originally was established to care predominantly for the Jewish community's elderly at its 169 Davenport Avenue location, the safety and security problems now faced by neighborhood residents and businesses have made the Home less appealing and attractive to many of the families of the elderly. In the past, families of the elderly were interested in the admission of their loved ones to the Home and were willing to use private funds to pay for the Home's services at the private pay rates. However, as noted above, the Home now has a very small private pay census. This small private pay census coupled with the inability of the Medicaid program to pay per diem rates that are equal to the Home's patient care cost report expenses creates an

operating revenue shortfall. The Home's intent is to attract at its new facility a higher private pay census and to improve its distressed financial situation through the private pay rate differentials. As the original historical appeal of the geographical location and the Davenport Avenue site to private patients and their families is no longer applicable, the continuation of the Home at its current location continues to pose an increasing threat to its financial stability. The Home is seeking statutory authority under Bill No. 373 to seek permission from DSS to relocate its nursing home to a suburban location at which it can supplement its reduced Medicaid patient day DSS revenues by achieving an additional private pay gross revenue margin that exceeds the DSS Medicaid rates.

However, the Home's need to move its facilities to a new site will not compromise the Home's dedication and its mandate to serve the inner-city Medicaid patients who are, and who may continue to be, the principal resident population at the new JHA facility. The Home, although originally dedicated to the Jewish population, has long followed its ecumenical "faith-based principles," as the home has always taken and will continue to take those members of the New Haven inner city community who are in need of JHA services irrespective of whatever the applicants religious affiliations may be. The Home will be able to continue to serve its inner city population if DSS provides it with Certificate of Need authority to build a nursing home at a location that is proximate to New Haven. The Home will seek a site which is accessible due to the availability of public transportation to the new site for patient's families, visitors, and for the Homes' employees.

Indeed, a new facility would only enhance the quality of life of our residents. Parts of the existing facility were constructed in the 1960s. The existing facility looks

and feels institutional. It has long hallways and in many respects an inefficient layout. It was built at a time when nursing homes were thought of as institutions and persons who resided in nursing homes may have been looked on as being institutionalized. We now live, thankfully, in a time when nursing homes are expected to, and desire to, provide a homelike atmosphere for their residents. Government regulations require this, and modern nursing home operators want nothing less for their residents. While the Home endeavors to provide such an atmosphere for its residents at this time, the construction of a new facility will allow us to do better and to provide our residents with the best possible environment. Of course, this will also make for a better place for families to visit and for our employees to work.

The Home wishes to emphasize that proposed Bill No. 373 will not in and of itself provide the Home with the statutory authority to move its nursing home and its allied health services (home care, restorative care, and other community services) to a new site. The Bill simply delegates to DSS the authority to grant Certificate of Need permission to the Home, and to other applicants who could qualify as well, to move their services to another suitable site in accordance with statutory standards which are consistent with the current state policy. Bill No. 373 empowers DSS to ensure that the nursing home applicant's proposed relocation program satisfies the State's interest in reducing nursing home Medicaid appropriations by reducing the number of licensed nursing home beds without materially adversely affecting the availability of beds in areas of need. The proposed Bill will establish standards for the DSS to apply. If Bill No. 373 is enacted, it will subject the JHA to DSS review and scrutiny to ensure that it has met the nursing home statutory relocation criteria as a precondition to obtaining legal authority to build a

new nursing home. Again, enactment of Bill 373 will not itself authorize the relocation of the facility.

The statutory criteria in Bill No. 373 would include the reduction of DPH licensed and DSS certified health care beds. This licensed bed reduction requirement will conform to a fiscal cost-cutting principle that DSS seeks to achieve, that is, reduction of nursing home beds. The JHA proposal would involve the voluntary reduction in its licensed nursing home bed capacity by approximately 100 beds so that it can operate as a 120 bed facility, rather than a 226 licensed bed facility at the new site.

The JHA will also be proposing to DSS to build, together with the nursing home, an integrated health care community which will also include ancillary health care uses that will complement the nursing home's services.(e.g. independent living, assisted living, and other community based services on one or more sites.). The availability of other non nursing home services also comports with DSS' policy program of encouraging the delay and deferral of the institutionalization of elderly patients by the availability of community based independent and assisted living services as part of the new JHA site program.

While the home intends to move to the suburbs, it will not diminish its commitment to continue to provide beds to inner city nursing home residents that are to be located within the City of New Haven, as evidence of its ecumenical and social commitment that is a logical outgrowth of the Jewish homes original community-based mission. Concerning the continuing need and availability of nursing home beds, if the Bill is passed the Home is prepared to not only discuss a program, with DSS and DPH, whereby some nursing home beds will remain in the City of New Haven (as accessible

services to those inner city aged residents), but is willing to commit to that program after consulting with DSS as to the New Haven nursing home bed-need statistics.

Additionally, the current JHA employees will also be accorded continued recognition and respect in the same spirit and manner that the JHA will treat the needs of its inner-city patients. The Home will take into consideration the location of public bus transportation facilities that will be convenient for the inner city employees to use as the home considers the various locations for its new site. Moreover, the home will arrange “pick-up” services at certain locations convenient to employees where groups of employees can gather to be transported to and from the facility both before and after work. Those Jewish Home employees will be transported from the pick up point at the start of their shift at the facility and, thereafter, to the pick up point at the conclusion of their employment shift.

In summary, proposed bill 373 would delegate jurisdiction to DSS for implementing the criteria of Bill No. 373, which would authorize DSS to permit relocation of the JHA as a Medicaid certified nursing facility when, and if, DSS determines that it is in the best interest of the Home to be permitted to move to a new location, and if the patient care programs at the new location are in accordance with the DSS objectives reducing Medicaid expenditures by the reliance of the elderly on Medicaid certified beds.

We thank you for the opportunity to present our views on Proposed Bill 373 and we would be pleased to respond to any questions that any member of the Committee may wish to pose.