

**Testimony to the Human Services Committee of the CT State Legislature in
opposition of Bill #568, An Act Concerning Expansion Of Assisted Living As A
Covered Long-Term Care Option Under The Medicaid Program
February 15, 2007**

Senator Harris, Representative Villano, and distinguished members of the Human Services Committee, my name is Bonnie Gauthier and I am the President and CEO of Hebrew Health Care in West Hartford, Connecticut. Hebrew Health Care provides a continuum of health services to an average of 2000 older adults each year in the Greater Hartford Community. Our services range from our skilled nursing, hospital, and rehabilitation programs to our community based programs of Adult Day Centers, Home Health Agency, and our Assisted Living Service Agency (ALSA). We employ almost 700 people within all of our affiliates and strive to be a leader in providing quality compassionate care to those individuals and families we serve.

I am writing today to oppose Bill # 568 *An Act Concerning Expansion of Assisted Living As A Covered Long-Term Care Option Under the Medicaid Program.*

Our opposition to this bill arises from our conviction that it will not help provide true greater access to assisted living services because it will serve only to increase the funding challenges that currently face long term care providers as a whole. Our "living with assistance" Hoffman SummerWood Community of 66 units was opened in 2001 and financed through a business model that would not work if our rental rates were set and controlled by a third party payer such as Medicaid. Many of the other Assisted Living Facilities in the state were financed using this or similar model as well

As a provider of Medicaid services through our skilled nursing and home health agency components, we are painfully aware that Medicaid reimbursement does not pay for the costs of delivering care. Imposing state rate limits on assisted living units would, we believe, undermine the economic stability of these communities, which provide important alternatives to institutional care. In turn, creating additional financial hardships for

assisted living providers will only serve to weaken access to this component of the continuum of long term care services for all elders.

Current pilots for assisted living facilities, which highly subsidize rents while providing Medicaid-funded ALSA services, have worked in demonstration, but not without challenges. As a provider of ALSA services in one such demonstration, we understand firsthand the tension and challenges created by the need to balance limited reimbursement with the provision of quality services. We believe that Bill 568 ignores those challenges.

As a member of our state association, CANPFA, Hebrew Health Care has been asked by Senator Harris to participate in a strategic discussion regarding financing long term care services as a whole, in the future. We respectfully ask you to oppose Bill 568 until these discussions can begin, and while they are ongoing.