



Senate

General Assembly

File No. 599

February Session, 2008

Substitute Senate Bill No. 559

Senate, April 14, 2008

The Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING A PILOT PROGRAM FOR SMALL HOUSE NURSING HOMES.

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

1 Section 1. (NEW) (*Effective July 1, 2008*) (a) As used in this section
2 "small house nursing home" means an alternative nursing home
3 facility that is designed and modeled as a private home, houses no
4 more than ten individuals, includes private rooms and bathrooms,
5 provides for an increased role for support staff in the care of residents,
6 incorporates a philosophy of individualized care and is licensed as a
7 nursing home under chapter 368v of the general statutes.

8 (b) The Commissioner of Social Services shall establish, within
9 available appropriations, a pilot program to support the development
10 of up to ten small house nursing homes in the state in order to improve
11 the quality of life for nursing home residents and to support a goal of
12 providing nursing home care in a more home-like and less institution-
13 like setting.

14 (c) Any entity that provides long-term care services may apply to
15 the commissioner for approval of a proposal to develop a small house
16 nursing home. Not later than October 1, 2008, the commissioner shall
17 develop guidelines relating to the design specifications and
18 requirements for small house nursing homes for purposes of the pilot
19 program. The commissioner shall require each small house nursing
20 home under the pilot program to seek certification to participate in the
21 Title XVIII and Title XIX programs and may establish additional
22 criteria for such small house nursing homes. The commissioner shall
23 make such guidelines and criteria available to applicants. Each entity
24 submitting a proposal shall provide: (1) A description of the proposed
25 project; (2) information concerning the financial and technical capacity
26 of the applicant to undertake the proposed project; (3) a project budget;
27 and (4) any additional information the commissioner deems necessary.

28 (d) The commissioner, in consultation with the Long-Term Care
29 Planning Committee established pursuant to section 17b-337 of the
30 2008 supplement to the general statutes, shall evaluate proposals
31 received pursuant to subsection (c) of this section and approve up to
32 ten proposals. The commissioner shall give preference to proposals to
33 convert an existing nursing home facility to a small house nursing
34 home and proposals that include the use of fuel cells or other energy
35 technologies that promote energy efficiency in such home. In
36 evaluating proposals, the commissioner shall consider the proposed
37 project's location in relation to other nursing home facilities within the
38 area to be served, the need for services at nursing home facilities in
39 general and the need for the proposed project in particular within the
40 area to be served and any other factors the commissioner deems
41 relevant.

42 (e) Notwithstanding the provisions of sections 17b-352 to 17b-354,
43 inclusive, of the general statutes or the 2008 supplement to the general
44 statutes, a small house nursing home developed under this section
45 need not comply with the provisions of said sections 17b-352 to 17b-
46 354, inclusive.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2008</i>	New section

HS *Joint Favorable Subst. C/R* APP
APP *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect
Department of Social Services	GF - See Below

Municipal Impact: None

Explanation

This bill requires the Department of Social Services (DSS) to establish a pilot program to help develop 10 small house nursing homes. DSS is to develop this program within existing resources. Such homes would be exempt from the current certificate of need (CON) process.

It is anticipated that DSS can establish the guidelines and criteria for such a pilot program with minimal additional costs. However, the bill does not define how the pilot program is to be developed. sHB 5021 (the biennial budget adjustment, as reported by the Appropriations Committee) contains no funding for this pilot program. Therefore it is unclear what DSS must do, beyond developing guidelines, to help establish such homes.

The bill specifies that the pilot should give priority to the conversion of existing homes into small homes. However, should the exemption from the CON process result in additional nursing homes being added to the existing services structure, an additional cost to the state may result if more Medicaid clients are placed. Currently, the average annualized cost for a nursing home bed is \$80,000.

The Out Years

The annualized ongoing fiscal impact identified above would

continue into the future subject to inflation.

OLR Bill Analysis**sSB 559*****AN ACT CONCERNING A PILOT PROGRAM FOR SMALL HOUSE NURSING HOMES*****SUMMARY:**

This bill directs the Department of Social Services (DSS) commissioner to establish a pilot program, within existing resources, to help develop up to 10 small house nursing homes in the state. (The bill does not specify how DSS must provide assistance.) The goals of the pilot are to improve the quality of life for nursing home residents and provide nursing home care in home-like, rather than institutionalized, settings. The bill requires the commissioner to develop any program guidelines for design specifications and requirements by October 1, 2008.

An applicant must be a long-term care provider (e.g., nursing home, residential care home, chronic disease hospital, home health agency, etc.) and submit to DSS (1) a description of the proposed project, (2) information on the applicant's financial and technical capacity to undertake the proposed project, (3) a project budget, and (4) any additional information the commissioner determines necessary.

The bill requires each participating home to seek Medicare and Medicaid certification. It authorizes the commissioner to establish additional criteria for homes and requires him to make all guidelines and criteria available to applicants.

When reviewing and selecting proposals, the commissioner must consult with the Long-Term Care Planning Committee and consider (1) the project's location in relation to other nursing homes in the service area, (2) the service area's need for the project, and (3) other factors the commissioner deems relevant. The commissioner must

give priority to proposals that convert existing nursing homes into small house nursing homes or that use energy efficiency technology, including fuel cells.

Finally, the bill exempts a small house nursing home participating in the pilot from certificate of need (CON) requirements and processes.

EFFECTIVE DATE: July 1, 2008

DEFINITIONS

Small House Nursing Home Defined

The bill defines a “small house nursing home” as a facility that:

1. is designed or modeled as a private home,
2. houses a maximum of 10 individuals,
3. includes private rooms and bathrooms,
4. provides an increased role for support staff in resident care,
5. incorporates a philosophy of individualized care, and
6. is licensed as a nursing home.

BACKGROUND

Certificate of Need for Nursing Homes

By law, any nursing home facility intending to do any of the following must apply for a CON from DSS:

1. transfer all or part of its ownership or control before initial licensure,
2. introduce any additional service or function into its program of care or expand an existing service or function,
3. terminate a service or decrease substantially its total bed capacity,

4. make a capital expenditure over \$1 million that increases the facility's size by the greater of over 5,000 square feet or 5% of the existing footage,
5. make a capital expenditure of \$2 million, or
6. acquire major medical equipment requiring a capital expenditure of over \$400,000.

The law establishes a moratorium on CONs for additional nursing home beds until June 30, 2012. Exceptions are provided for:

1. beds restricted to use by patients with AIDS or traumatic brain injury;
2. beds associated with a continuing care facility that guarantees life care for its residents;
3. Medicaid-certified beds being relocated from one licensed nursing facility to another, provided (a) the availability of beds in an area of need will not be adversely affected, (b) the relocation will not result in increased state expenditures, and (c) the relocation reduces the number of nursing facility beds in the state;
4. a request for up to 20 beds from a nursing facility that does not participate in Medicaid or Medicare and demonstrates the financial ability to provide lifetime nursing home services to its residents without such participation; and
5. a request for up to 20 beds associated with a free standing facility authorized to provide hospice care for terminally ill people (CGS § 17b-354).

“Small House” and “Green House” Nursing Home Models

Generally, “Green Houses” or “Small Houses” are “deinstitutionalized” nursing homes. They are self-contained dwellings for seven to 10 residents requiring nursing home levels of

care. They incorporate physical design changes such as private rooms and bathrooms, a residential-style kitchen, a communal dining area, and accessible outdoor space. They avoid institutional elements. A cluster of green houses, in effect, forms a nursing facility.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute Change of Reference

Yea 19 Nay 0 (03/13/2008)

Appropriations Committee

Joint Favorable Substitute

Yea 51 Nay 0 (04/01/2008)