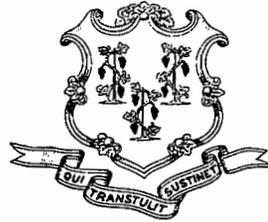


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**State of Connecticut**  
**SENATOR DONALD E. WILLIAMS, JR.**  
*Twenty-ninth District*  
**President Pro Tempore**

**Testimony**

**SB 662 AAC Medicaid Eligibility and Reimbursement**

**Human Services Committee**

**March 11, 2008**

Senator Harris, Representative Villano, and Members of the Committee:

As you well know, nursing homes are a critical part of our healthcare system. Both the elderly and the disabled depend upon them for a range of services. Whether a stay in a nursing home is for a short period of rehabilitation or for an extended period, it is our job to be sure that the services available in these facilities are of the highest quality. Recently, however, we have seen that nursing homes are not always providing the quality of care that we expect from them.

While there are many initiatives that are being considered in this legislative session that would strengthen our state's nursing homes, I am here to speak in favor of one specific initiative that is before you today: creating a Medicaid-Pending Pool for nursing homes.

**SB 662, AAC Medicaid Eligibility and Reimbursement**, would address one significant problem faced by nursing homes today. The vast majority of nursing home expenses are paid for by Medicaid. However, many seniors enter nursing homes prior to enrolling in Medicaid. This means that nursing homes assume financial responsibility for their residents' expenses until Medicaid eligibility is established. Once the eligibility is established, Medicaid will pay the nursing home retroactively. However, some nursing homes have had to take out loans to ensure financial stability in the interim, and the interest that has accrued on these loans is not reimbursed.

This legislation would establish a revolving pool of money that would be available to nursing homes to cover expenses while they wait for Medicaid enrollment to be finalized. At that time, the nursing home would repay the funds to the pool. In essence, it provides nursing homes with an interest-free loan to cover Medicaid-eligible patients until they are enrolled in Medicaid. Of course, if a patient is ultimately determined not to be eligible for Medicaid, the nursing home would be required to return the funds to the state.

Nursing homes provide a critical role in taking care of our elderly and disabled. It is important that we take steps such as this to ensure their financial viability. Thank you very much.

