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Testimony of the
Connecticut Association of Not-for-profit Providers For the Aging

Presented to the Public Health Committee

By Mag Morelli

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Regarding

Senate Bill 577, An Act Concerning the Nursing Home Financial Advisory Committee
and
House Bill 5864, An Act Concerning a Nursing Home Improvement Plan

CANPFA members serve thousands of people every day through mission-driven, not-for-profit organizations dedicated to providing the services people need, when they need them, in the place they call home. Our members offer the continuum of aging services: assisted living residences, continuing care retirement communities, residential care homes, nursing homes, home and community-based services, and senior housing.

Good morning Senator Handley, Representative Sayers, and members of the Committee. My name is Mag Morelli and I am the President of the Connecticut Association of Not-for-profit Providers for the Aging (CANPFA), an organization of over 130 non-profit providers of aging services representing the full continuum of long-term care.

I am pleased to be here today to speak on Senate Bill 557, An Act Concerning the Nursing Home Financial Advisory Committee and House Bill 5864, An Act Concerning a Nursing Home Improvement Plan.

Senate Bill 557, An Act Concerning the Nursing Home Financial Advisory Committee

CANPFA members understand the current concern regarding the financial oversight of nursing home operations. We would be more than happy to work with the Committee, the Legislature, the Administration, and any other interested party to identify an efficient and effective method of monitoring the financial health of our nursing homes.

We agree that the Nursing Home Advisory Committee should be activated to advise and guide the oversight function carried out by the various state agencies. However, we believe that the Committee's role should remain advisory in nature. The regulation, investigation and enforcement functions should remain with the

state agencies currently empowered to perform these functions and these agencies should be held accountable.

The Committee could be a valuable resource and relied upon to develop and maintain a list of key financial indicators to be monitored and reviewed by the Department of Social Services. They could also establish guidelines to assist in the review of these key indicators. And finally, this Committee could play a crucial role in ensuring coordination of the oversight efforts performed by the various state agencies.

We also recommend that the state consider utilizing the information and data that is already provided to the state as the starting point for any improved oversight. For example, information such as payables and receivables can be obtained from the annual nursing home cost reports and trended year by year. Trending can be very helpful in identifying a home that may be undergoing an adverse change in financial condition. In addition, failure to pay the nursing home provider tax is an event that should be immediately communicated by the Department of Revenue Services to the Department of Social Services. The Department of Public Health is able to report any findings of harm or immediate jeopardy concerning a resident care or physical plant deficiency that may be related to financial distress. And finally, since the majority of receivables owed to nursing homes are from the state itself in the form of Medicaid payments, the Department should be able to monitor the level of pending Medicaid payments that are outstanding by facility.

House Bill 5864, An Act Concerning a Nursing Home Improvement Plan
Sections 1 and 2
CANPFA has no objection to the concept of conducting a complete inventory of nursing home beds throughout the state and would appreciate the opportunity to participate in the process. We also support the concept of incorporating the criteria outlined in Section 2 of this bill for consideration within the certificate of need process.

We do have concerns with priorities for approval of certificates of need for the two "alternative" models of care described in the bill. While we are support the development of these models, we represent many members with progressive models that include nursing homes along the continuum of care. We would hope that projects and improvements that are part of a long-term care continuum would also be encouraged, consistent with the state's policy objectives. We would prefer a concept of providing incentives within the certificate of need process to encourage providers to move toward alternative models and areas of need identified through the current and future long term care planning. An incentive might be in the form of expedited certificate of need process rather than identifying mandated priorities. To mandate priorities in the process might discourage providers from seeking certificates of need for necessary capital improvements or pursuing other worthy and innovative projects not listed in the statute as a priority.

Section 3

CANPFA supports the underlying goal of this proposal which is to ensure sufficient staffing levels in our skilled nursing facilities. While we would support the concept of submitting an annual nurse staffing plan and demonstrating that it is sufficient to provide adequate and appropriate deliver of health care services to the residents, it should be clarified that the daily staffing plan for the facility remains the responsibility of the nursing home administration and because the administration would continue to be held accountable, it must be made clear that they would continue to have the authority to modify the staffing plan whenever necessary to meet the care needs of their residents.

Section 4

I know that you are all aware of the fact that an increasing number of nursing home residents are being cared for during extended periods of non-payment due to their "Medicaid pending" status. These are residents who have exhausted their private funds and have applied for Medicaid assistance. Once the application is submitted, the resident and the nursing home must wait for the Department of Social Services to review and verify the information. Unfortunately, for several reasons, the wait is becoming longer and longer, and it is causing a severe cash flow crisis for many nursing homes. The extended pending status of just a few Medicaid residents can materially affect cash flow and cause great uncertainty in the daily financial operations of a facility.

While we have testified about this situation in the past, the problem remains in part because both the state and the nursing home are at the mercy of the resident, the resident's family, or responsible party to provide the necessary financial documentation and to carry out the financial transactions necessary to qualify the resident for Medicaid. Therefore, the concept of creating a pilot program that would provide advance payments to nursing homes that are caring for residents with pending applications is very promising and potentially could provide us with a solution to this great concern. We would strongly support the establishment of this pilot program.

Thank you for this opportunity to testify and I would be happy to answer any questions.