



NEW ENGLAND HEALTH CARE EMPLOYEES UNION • DISTRICT 1199 • SEIU

77 HUYSHOPE AVENUE • HARTFORD, CT 06106 • 860.549.1199 • FAX 860.251.6049

mailbox@nehceu.org • www.nehceu.org

Public Health Committee – Public Hearing 3/12/2008

Testimony of Deborah Chernoff, District 1199

Re: SB 577, HB 5861 and HB 5864

S.B. No. 577:

AAC The Nursing Home Financial Advisory Committee

We strongly support creating the authority to conduct financial and operational records audits of both the nursing home facility AND its related parent, subsidiary, and management companies.

Many nursing homes are now run by mega-corporations that have split the business over several “related entities” — the licensed facility itself, a real estate company, a management company, a pharmaceutical supplier, etc. While nursing homes are required to report any “payments to related entities,” these related companies are not required to disclose anything about their own finances.

Therefore, the individual facility (usually incorporated as a separate LLC) can lose money on paper while the related businesses enjoy a steady stream of revenue and can profit hugely while operating as separate private companies exempt from any form of public scrutiny. To better protect both the sick and elderly, and taxpayer dollars, the State must increase the level of accountability and transparency of the nursing home industry.

Two concerns we do have about the bill language are:

1.) Lack of authority or functions independent from DSS.

The Committee would be chaired by DSS, funded by DSS, and report to DSS. Given the concerns raised about some of DSS’ actions and fiscal choices, such an insular structure would not provide the checks-and-balances or public reassurance that a system in crisis needs. The fact that DSS never activated the original Advisory Committee established by the Legislature should raise additional concerns about this structure.

We recommend a stronger role/authority by the State Legislature on the Committee beyond just receiving annual reports. This could take the form of including legislators on the Committee.

2.) Lack of representation independent from DSS or Administration.

As the bill is written, six of the eight Committee members will be chosen by

the Governor directly (two appointments) or indirectly (two Commissioners, OPM Secretary, CHEFA executive director.)

We recommend including on the Committee:

- 1.) one representative from the nursing home advocacy community (such as an Elder Law attorney with Connecticut Legal services or another recognized resident advocate group that is outside DSS); and
- 2.) one from a labor organization representing nursing home direct care workers.

These representatives should be appointed by the Legislature to further enhance the checks-and-balances of the Committee.

H.B. No. 5861:

AAC Mentally Ill Individuals in Nursing Homes

We support the concept that people with mental illness deserve proper assessments and quality treatment services, regardless of what living environment they are in — including a nursing home.

This is *not* to say, as a long-term policy question, that nursing homes should become the State's main provider of mental health services. District 1199 members include nursing home caregivers as well as state and private-sector mental health workers. Since the closure of Norwich Hospital and Fairfield Hills Hospital in the early 1990s and the promise of new community-based programs failed to materialize, we have seen a rise in the number of people with mental illness in both nursing homes and the states' prisons/jails. However, it is obviously outside the scope of HB5861 to address this larger policy question.

H.B. No. 5864:

AAC A Nursing Home Improvement Plan

We support HB 5864, especially Section 3 (b) requiring nursing homes to establish a nurse staffing committee, made up of all types of caregiving staff, and develop a staffing plan tailored to the specific needs of the individual facility.

Nursing home advocates, including District 1199, are currently urging the legislature to update Connecticut's minimum staffing levels in nursing homes for the first time in more than 25 years. You, the Public Health Committee, will soon be reviewing bills that would set the minimum staffing requirement at one certified nursing assistant (CNA) for every five residents during the day, 1-to-10 in the evening, and 1-to-15 at night.

Together, these two bills can complement each other — set a basic "floor" of care and encourage each facility to then further tailor its staffing to meet the needs of residents. This will help ensure that every facility is providing residents with the best possible care.