

# State of Connecticut

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## Testimony Before the Select Committee on Aging State Comptroller Nancy Wyman January 27, 2009

Good Morning Chairman Prague, Chairman Serra, Senator Kissel, Representative Frey and distinguished members of the Select Committee on Aging. I am State Comptroller Nancy Wyman and I appreciate the opportunity to submit testimony in favor of several proposed bills currently before you.

First, I appreciate this Committee's efforts to strengthen the financial oversight of nursing homes here in Connecticut by raising **Senate Bill 450, "An Act Concerning Nursing Home Oversight."** Every resident of this state is effected by either the care *or* costs associated with our nursing home industry.

The family and friends of nursing home patients trust that their loved ones are provided with the highest quality care in a safe and reliable setting. The situation we found our selves in last year with Haven Health Care may have been avoided if greater oversight existed. In many cases the quality of care given to patients is directly linked to the financial management of the institution. Nursing homes that are fiscally un-healthy have potentially disastrous consequences for the clients who rely on their services.

Connecticut tax payers also expect that their money is being spent in the most efficient and cost effective manner. Our state ranks 4<sup>th</sup> in the nation in nursing home expenditures with \$1.3 billion spent each year on care. The public demands that we, as elected officials, enact real oversight over a sizeable industry that makes up a significant percentage of our budget.

I believe that the proposal before you today is a first step in what I hope will be increasingly thorough efforts to hold Connecticut's nursing homes financially accountable. The bill gives new authority to the Nursing Home Financial Advisory Committee, and adds my Office to the Committee strengthening its fiscal role in the regulation of the industry.

This legislation authorizes the Committee to audit the financial records of nursing homes and dig deeper into troubled companies that are financially tied to nursing homes. Additional powers are given to issue subpoenas, take testimony under oath and involve the Attorney General as a means to enforce the Committee's regulatory control.

Recommendations to appoint receivership could also be made to the Department of Social Services regarding nursing homes facing dire financial distress.

The state's role should not be to clean up after the irresponsible or potentially criminal financial administration of nursing home owners. Connecticut must take a proactive stance in preventing the devastating costs of mismanagement before it happens.

There are several other concepts raised before this committee today that should also be commended.

**House Bill 5297, "An Act Concerning the Status of the Money Follows the Person Project,"** will require the Commissioner of Social Services to submit a semiannual report to the Select Committee on Aging. The written document will include implementation status as well as a timeline for individuals transitioning into the community. The Money Follows the Person initiative has shown great success across the nation and here in Connecticut by encouraging states to create and utilize home care and community based options over traditional and costlier, institutional care. Monitoring the progress of this project is important to its successful development.

**House Bill 5045, "An Act Concerning the Elderly Tax Freeze Program,"** will allow new applicants to enter the program and provides for municipalities to be reimbursed by the state for lost revenues. Property tax relief is critical to low income seniors living on fixed incomes, many of whom make difficult choices juggling their monthly expenses. Connecticut's poorest 20% pay 4.4% of their income in property taxes, while the wealthiest 1% pays just 1.2% of their income in property taxes. In hard economic times, more than ever, our elderly and impoverished citizens need assistance to make ends meet.

Lastly, I'd like to lend my support to **House Bill 5298, "An Act Concerning Increasing the Asset Limitations Under the State Funded Connecticut Home-Care Program for the Elderly."** This is a program that I have continually spoken in favor of before the legislature. The bill before you today would increase access by increasing the asset threshold for participation. Currently, over 14,000 older adults benefit from the wide range of integral services in a variety of settings coordinated by this program. Creating more opportunities for care outside of the institutional setting will save the taxpayers over the long term.

Thank you.