



# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH

### TESTIMONY PRESENTED BEFORE THE COMMITTEE ON PUBLIC HEALTH March 6, 2009

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#### **Senate Bill 845 – An Act Concerning Oversight of Nursing Homes**

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The Department of Public Health supports Senate Bill 845.

The Governor's proposal greatly enhances the financial oversight of nursing homes and nursing home management certificate holders. The bill enhances the department's ability to protect the patients in these facilities in a number of ways.

#### **Increasing the regulatory tools available for enforcement**

- The bill defines and adds nursing facility management services certificate holders to the statutes addressing healthcare institutions. This is important for regulatory authority and jurisdiction.
- It adds a civil penalty for the failure of a nursing home landlord to maintain the building and property provides DPH with an enforceable mechanism to address landlords who do not respond to violations or who fail to implement plans to address issues of non-compliance.
- The department's authority to investigate and to seek appropriate remedies to prevent nursing facility management service providers from operating without a certificate issued by DPH is expanded.

#### **Expanding the information available to the state for review of various nursing home transactions**

- The information that the Commissioner may require when evaluating a change in ownership application is clarified. This provision will strengthen DPH's access to information and enhance decision-making.
- Clarifies and defines "nursing facility management services" certificate holder and expands the application information that these management companies must provide to DPH. The enhanced information will provide additional, useful data for DPH decision-making.
- The bill codifies the department's access to records and provides subpoena power to ensure that access. The department is also provided with the authority to utilize these tools when investigating nursing home management companies which are a relatively new entity and were not previously subject to these tools.

#### **Establishing benchmarks for review of financial solvency within the nursing home setting.**

- The bill defines beneficial ownership in relation to parent, subsidiary corporations and partnerships the law previously did not address these entities. The addition of this information clarifies entities that may have undone a beneficial change of ownership relevant to corporate structure.
- An additional reason for the appointment of a receiver to include severe financial distress a clearer definition for severe financial distress is given. The bill also provides the court with the authority to appoint a receiver for related entities such as nursing home management companies and real property owners. This provision enhances the authority of the Department to address entities that were not within the purview of receivership authority and enhances the protection of the consumers of health care.
- The pool of potential nursing home receivers is expanded to include not only licensed nursing home administrators but also individuals with experience and education that the court deems satisfactory to perform such duties. This will enable the selection of receivers with differing areas of expertise (e.g. entities with fiscal, legal, or health care backgrounds). Experience has shown that receivers that that have not been licensed administrators have excelled as nursing home receivers.

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Along with these protections, this legislation supports these functions by establishing a strong Nursing Home Financial Oversight Committee. Additionally, it mandates that the DPH website have a link to the United States Department of Health and Human Services Nursing Home Compare database. Although the DPH website currently provides this link, mandating the requirement will ensure its continued presence and enhance the public's access to important data.

Finally, it should also be noted that this bill reflects the language developed during last session's discussion of nursing home oversight between legislative partners, the Attorney General, the Office of Policy and Management, the Department of Social Services and our agency. Our agency, OPM and the Attorney General's office have recently met to reconcile existing differences between this bill and the Attorney General's. Substitute language will be delivered to the committee that will resolve the minor differences between these bills for your consideration.

Thank you for your consideration of the Department's views on this bill and we urge you to take favorable action on this bill.