

canpfa

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

**Testimony to the Appropriations Committee
Regarding the Governor's Proposed Budget Mitigation Plan**

**Presented by Bonnie Gauthier
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Member of CANPFA Board of Directors**

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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 afternoon Senator Harp, Representative Geragosian, and members of the Appropriations Committee. My name is Bonnie Gauthier and I am the President and CEO of Hebrew Health Care. I am here today as a board member of the Connecticut Association of Not-for-Profit Providers for the Aging (CANPFA); an association of over 150 not-for-profit providers of aging services representing not-for-profit senior services across the continuum of care including fifty-one nursing homes.

On behalf of these members I would like to thank you for this opportunity to speak **against** the Governor's proposed 2% Medicaid rate cut for the nursing home segment of our continuum and would like to reinforce CANPFA's message from earlier testimony opposing the 5% cut proposed for all other long term care Medicaid providers.

Medicaid is the single most important public source of financing for nursing home care in Connecticut. On average, 70% of the residents cared for in a nursing home are Medicaid recipients - which means that Medicaid is paying for their nursing home care.

These nursing home residents are individuals who have led long and productive lives, who have accessed care from other components of the long term care continuum, who have moved along that continuum as they have aged or as their disease has progressed; and whose care needs now make a nursing home the most appropriate or preferred care setting.

These are residents who have exhausted their private resources until their only option is to apply for and receive Medicaid state assistance.

But these are not just "long term care residents." These residents are the men and women, who taught us in school, delivered our mail, built our homes, and fought in our wars. They are our relatives, our friends and our neighbors. Most did not expect to need nursing home care, but now that they do, the Medicaid program is their only safety net and the one they must rely upon.

These residents are the people that will be hurt most by these budget cuts.

We all know that Medicaid reimbursement rates do not meet the costs of providing the care for our nursing home residents and the chronic underfunding by Medicaid has caused financial stress throughout the nursing home field. The system is already severely strained and the two years of flat funding and additional cuts that were just adopted in the state budget have only intensified this strain and pushed more homes to the brink of financial disaster. In our own organization in 2009, we cut more than \$ 1.2 million dollars in expenses, most of them coming from wages and benefits of our employees, in order to be able to remain financially solvent and to avoid cutting programs and services needed by our 287 long term and 35 short term skilled nursing residents and patients. We persuaded our staff to accept these cuts so that we could preserve quality care, and jobs. Now the Governor has proposed a 2% additional cut. I can tell you that a 2% cut would result in Hebrew Health Care losing an additional \$315,000 a year and we are not alone. This proposed cut would threaten the entire nursing home field. I am not sure what we are to tell our staff, who have already given up weekly income and other benefits, if the Governor's proposal is passed. And more than that, I am not sure what we are supposed to do to preserve the quality of services we provide—with fewer staff working fewer hours, fewer resources to purchase necessary equipment and to preserve our physical assets—let alone improve that quality. Less is not more in the long term health care of our frailest citizens. Less is less, and less, and now, under the Governor's proposal—less again.

Connecticut cannot afford to let that happen. Our nursing homes are an essential component not only of the long term care continuum, but also of the larger health care system. We are the providers of post-acute patient care, short-term physical and occupational rehabilitation and therapy care. And while home and community based services are a valued resource in the long term care continuum, it is the nursing home that remains the foundation of that continuum. We cannot afford to let that foundation crumble.

We are facing an unprecedented budget crisis and some would say that desperate times call for desperate measures. I disagree. Not when we are considering the fate of the most vulnerable people in our society. Instead we must call for thoughtful measures and this proposed across the board cut is not one of them.

On behalf of the nursing home members of CANPFA, I urge you to reject the Governor's proposed 2% rate cut, and the 5% cut to other Medicaid services. In doing so, you support and protect the very people who have helped to build our state.

Thank you and I would be happy to answer any questions.

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