



Kathleen A. Pajor LNHA
President, Executive Director
Beechwood Nursing and Rehabilitation Center
New London, CT

In Opposition to 2% Medicaid Nursing Home Rate Reduction proposed in Governor's State Budget Deficit Mitigation Plan

Good afternoon Senator Harp, Representative Geragosian and to the members of the Appropriations Committee. My name is Kathleen Pajor. I am President and Executive Director at Beechwood Rehabilitation and Nursing Center in New London, CT. Beechwood has been a longstanding provider of nursing care in New London County for over 55 years. As an independently owned, 60 bed facility, it employs over 100 people most of whom live in New London. It is one of two major employers and taxpayers for the city of New London.

I am writing to ask that the Appropriations Committee take a strong position in opposition to the proposal from the Governor to cut nursing home Medicaid rates by 2% for a variety of reasons.

This Committee should recognize that proposal follows the already devastating cuts passed in the recently adopted two-year Connecticut State budget, millions in Medicare cuts made earlier this year, and still further cuts proposed by Congress in the pending healthcare reform legislation.

Almost \$300 million in nursing home cuts were adopted in the most recent two-year state budget. For Beechwood the elimination of the statutory nursing home rate rebasing and the annual cost of living adjustment translate into real Medicaid rate cuts. There will be layoffs and the quality of care will be compromised.

Moreover, restrictions adopted last session in Fair Rent rate add-ons for repairs and renovations promised in the funding formula will mean that my facility will not see any reimbursement for the roof, chimney, furnace and furniture replacements that occurred.

In October, Beechwood began receiving less Medicare Reimbursement with the implementation of the CMS rule. This translates to over \$80,000 loss in revenue FT 2010.

Connecticut nursing homes, like Beechwood, face the near certain prospect of even further federal Medicare cuts with the adoption of health care reform legislation pending in Congress. As much as \$24 billion in cuts to Medicare have been proposed and now await final action over ten years. For Beechwood, this would mean laying off CNAs and nurses, the staff that care for the Residents. Laying off this direct care staff will affect the lives of our Residents.

The additional cuts recommended by Governor Rell are simply unsustainable. If adopted, the Governor's proposal will close nursing homes, jeopardize care for thousands of frail and elderly residents, and eliminate jobs for thousands of caregivers across the State. The quality of care that Beechwood provides, and is well known for, will be seriously undermined should this proposal be adopted.

The loss of dozens of nursing homes will leave Connecticut residents without the 24-hours-a-day, 7-days-a-week care they need that can only be provided in a nursing home.

For these reasons, I urge you to reject the Governor's proposed Medicaid rate cuts to nursing homes and I would be happy to answer any questions you may have.

Thank you very much for your time.