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Good evening Senator Harp, Representative Geragosian and to the members of the Appropriations Committee. My name is Kevin Prisco and I am the Director of Operations for Kindred Healthcare and I am responsible for the oversight of our six nursing centers located in New London, Windsor, Enfield, Stamford and New Britain Connecticut

I am here 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% included in the Governor's most recent State Budget Deficit Mitigation Plan.

This Committee should recognize that this unsustainable proposal comes on the heels of the very deep cuts to Connecticut nursing home funding in the recently adopted two-year Connecticut State budget, in addition to millions of dollars 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 cuts were adopted in the most recent two-year state budget. The elimination of the statutory nursing home rate rebasing and the annual cost of living adjustment translate into real Medicaid rate cuts. In addition, restrictions adopted last session in Fair Rent rate add-ons for repairs and renovations promised in the funding formula will mean fewer dollars for repairs and upgrades to our centers

I am very familiar with the impact reduced funding can have on nursing homes. Prior to joining Kindred two years ago I had the unfortunate experience of closing three nursing centers in the state. I closed one center in Waterbury during a bankruptcy, a second facility in Manchester during a receivership, and a third center in Darien due to poor fiscal performance. I can say first hand that the closure of each nursing center was an emotional and traumatic event for the residents, staff and communities. I still run into residents and staff who mourn the lost of their home and place of employment. In all three nursing centers the majority of the residents were Medicaid and the private pay and Medicare census was not high enough make up the deficit in the Medicaid funding

Over the years the industry has cut back in non nursing areas to try to withstand the shortfalls. We are at the point now where there are no other areas to cut from.

For these reasons I urge you to reject the Governors proposed Medicaid rate cuts to nursing Homes. I am very fortunate that in my position that I am able to help make life better for our residents and I hope that I never have to repeat my past experience of closing another nursing center.

Thank you for the opportunity to speak tonight and I would be happy to answer any questions you may have.

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