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

Testimony to the Appropriations Committee
Regarding the Governor's Proposed Budget FY 2010 - FY2011
Human Services

Presented by Mag Morelli, President

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Good evening Senator Harp, Representative Geragosian, and members of the Appropriations Committee. My name is Mag Morelli and I am the president of the Connecticut Association of Not-for-profit Providers for the Aging (CANPFA), an organization of over 150 non-profit providers of aging services representing the full continuum of long term care.

CANPFA Chair David Bordonaro provided previous testimony advocating for a Medicaid rate increase for the providers of long term care services. I would like to provide comment on several other aspects of the Governor's budget proposal as they relate to long term care.

Nursing Home Oversight

As an association, CANPFA would like to be helpful in developing an effective method of monitoring the financial health of our nursing homes. We have listed below our recommendations on the principles that we recommend be incorporated into such a process. We have taken into consideration the need to avoid additional costs or financial burden to either the state or the nursing homes, and we believe that this can be done by using the financial data contained in the annual cost reports that are already being submitted to the state by the nursing homes.

We are in the process of developing a more extensive memorandum on the all of financial oversight legislation that has been proposed this session. We will provide that memorandum to the committee as soon as it is completed.

In general our recommendations include the following principles:

- That the state utilize information that is already provided to the Department of Social Services and the Department of Public Health as the starting point for improving oversight. Much information is provided, but not all of it may currently be used for financial oversight.
- That state agencies be held accountable for the oversight functions they are expected to perform. Guidance from the Legislature on oversight priorities may be extremely helpful in improving the current oversight and accomplishing the Legislature's goals.
- That the Nursing Home Advisory Committee be activated and utilized to advise, guide and coordinate the oversight functions carried out by the various state agencies and that representatives from the nursing home field remain on the committee.
- That we not create an additional, unnecessary state audit. The Department of Social Services currently audits the cost reports of all nursing homes, but not in a timely fashion. We recommend that the cost report audit function be done on a more timely basis so as to identify both reporting errors and issues of concern much sooner.

Cash Flow Concerns of Nursing Homes and the Proposed Half of the June Reimbursement

Adequate cash flow is critical to nursing home operations. Since on average 68% of nursing home funding comes from Medicaid, the need to ensure prompt and adequate Medicaid payments is crucial to ensuring the financial health of our nursing homes. **Therefore it would be a hardship for nursing homes to again endure a half payment of their Medicaid reimbursement in June, a budget trick that was just removed from practice last year.**

We would also request that the Legislature take steps to improve the current Medicaid eligibility process for nursing home residents. The number of nursing home residents who are "Medicaid pending" is again rising and this can have a dramatic and devastating financial effect on even the most stable of nursing homes. We would suggest that nursing home resident applications be processed in a centralized location where specialized eligibility workers can be trained with the expertise that is needed to handle these most complicated of applications.

Limiting of Dental Services for Adults

CANPFA must oppose the limitation of Medicaid reimbursement for adult dental services. Limiting reimbursement would increase the financial burden that nursing homes already shoulder in order to provide dental services to their residents. Federal law mandates that nursing homes provide the level of services that residents need to achieve and maintain their highest practicable level of functioning. With regard to dental services, that often means contracting with dental providers to ensure that they will provide service to the home's residents. **Further limiting the level of Medicaid reimbursement to the dental providers will only shift an additional cost burden to the nursing facilities and add to their financial stress.**

Capping the Caseload for State-Funded Connecticut Home Care Program for Elders at June 2009 Levels

The state has adopted and embraced a long term care plan with a goal of rebalancing the system and providing choice for individuals seeking long term care. The Connecticut Home Care Program for Elders should be the flag ship program for this plan. Instead, the Governor is proposing that we limit participation in it, and that would be a mistake. We must not forget the long waiting lists that existed prior to the original caps being removed during the Rowland Administration. It was the removal of these caps that allowed many elderly residents to receive services in the community and to postpone or avoid nursing home placement. **To again limit access to this program and prevent our elderly residents from receiving cost effective services in their homes or in the community is extremely short sighted.**

Mandating Certified Medication Administration in Residential Care Homes and Boarding Homes

CANPFA represents several not-for-profit residential care homes. **We supported the creation of the medication administration certification program, but we continue to oppose mandating it.** The certified medication administration program was never intended to be a substitute for home care nursing as it is not appropriate for every type of medication or resident condition. Practically speaking, there are simply not enough certified personnel and it is difficult and expensive for residential care home employees to access the training. In addition, many homes are not able to assume the liability associated with the program. Therefore we must strongly oppose this proposal.

Allowing Special Needs Trusts in the Aid to the Aged, Blind and Disabled Program for Certain Boarding Home Residents

CANPFA strongly supports the use of Special Needs Trusts to allow residential care home residents who are or become slightly over income for the State Supplement Program to be placed or remain in a residential care home rather than being forced to seek placement in a nursing home. **CANPFA has long sought a solution to this problem and we are very pleased to see the utilization of special needs trusts being proposed for this purpose.**

Capping the Total Number of Beds under Small House Nursing Home Projects

The small house model of nursing home care is part of the culture change movement that is redefining how nursing home care is delivered. Culture change focuses on resident centered care and we encourage the state regulatory and reimbursement agencies to embrace and endorse this positive movement. The passage of the small house bill last session was very progressive and it is exciting that we have one major small house project on the horizon, but discouraging to think that other projects would not be able to move forward due to perceived budget implications. We encourage you to reconsider this proposal.

Financial Impact to Long Term Care Providers of Changes to the Pharmacy Provisions

CANPFA would like to draw attention to the fact that the state's practice of constantly modifying the pharmacy programs and formulary lists is extremely labor intensive and costly for providers who must monitor the constant changes. Compliance is crucial and inadvertent use of non-formulary medications or a prior authorization oversight can be extremely costly to the provider who must make up the difference. And finally, **please understand that it is the providers who will most like incur the burden of cost shifting from the pharmacy providers who will need to make up any losses caused by the state's cost cutting measures.**

Thank you for your consideration of this testimony.

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