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Written testimony of Leonard Goldberg, President, Pierce Memorial Baptist Home. In Opposition to 2% Medicaid Nursing Home Rate Reduction proposed in Governor's State Budget Deficit Mitigation Plan.

Good afternoon/evening Senator Harp, Representative Geragosian and to the members of the Appropriations Committee. My name is Leonard Goldberg. I am President of Pierce Memorial Baptist Home, a Nursing and Rehabilitation provider located in Brooklyn, Connecticut. Pierce Memorial Baptist Home is a longstanding not-for-profit provider of nursing care and rehabilitation services in the community of Brooklyn, Connecticut. We care for 80 residents and employ 160 staff members. We also provide housing for 75 independent individuals as well as day care for seniors in surrounding communities.

I am asking that the Appropriations Committee take a strong position in opposing the Governor's most recent proposal to cut nursing home Medicaid rates by 2% included in the State Budget Deficit Mitigation Plan.

This Committee should recognize that the proposed 2% Medicaid cut comes on the heels of the very deep cuts to Connecticut nursing home funding in the recently adopted two-year Connecticut State budget. Millions in Medicare cuts were made earlier this year by the Federal government, and still further cuts are proposed by Congress in the pending healthcare reform legislation.

Almost \$300 million in nursing cuts were adopted in the most recent two-year Connecticut state budget. For Pierce Memorial Baptist Home, the elimination of the statutory nursing home rate adjustment (rebasng) and the annual cost of living adjustment translate into real Medicaid rate cuts of more than \$450,000. To put this in real terms, the items that nursing homes must purchase have been increasing at a rate averaging over 6% per year. In the last 5 years, none of our Medicaid increases have come anywhere close to the rate of increase in the items that we purchase. As a matter of fact, most years the Medicaid increase has been less then 2%. We have reduced our expenses to the bone without harming the care that we provide. There is nothing more we can cut without affecting our care.

Moreover, restrictions adopted last session in Fair Rent rate add-ons for repairs and renovations promised in the statutory funding formula will mean there will be no money to improve our 55-year old building so that we can provide state of the art services to our residents.

In October, Pierce Memorial Baptist Home began receiving less Medicare Reimbursement with the implementation of new rules adopted by the Center for Medicare and Medicaid. This change reduced our Medicare payments by \$35,000.

Connecticut nursing homes, like Pierce Memorial Baptist Home, 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. For Pierce, this would mean an additional reduction in Medicare payments of \$53,000.

In this environment, 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 Pierce Memorial Baptist Home is well known for providing 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.