



# STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

5059

## TESTIMONY PRESENTED BEFORE THE HUMAN SERVICES COMMITTEE February 5, 2009

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### House Bill 5059 - An Act Concerning the Financial Condition of Nursing Homes

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The Department of Public Health provides the following information with regard to House Bill 5059.

Each licensed nursing home would be required to submit periodic reports of its financial condition to the Department of Social Services and to maintain specific insurance liability coverage.

- Limits would be set on the amount of rent that the owner of real property on which a nursing home is located may charge the facility and the use of loan proceeds that encumber the assets of a nursing home would be restricted.
- The State Comptroller would be authorized to audit the financial records of any nursing home and would also be required to review and investigate complaints concerning alleged violations of state statutes and regulations and the mismanagement or gross waste of funds by a nursing home.
- The Department of Public Health currently has jurisdiction over the investigation of issues related to quality of care and compliance with state and federal laws and regulations concerning the operation of the facility.
- This proposal does not address the standards that would be used by the Comptroller's Office in investigating complaints, how substantiated violations would be handled or the potential issues related to overlapping responsibilities between the Department and the Comptroller's Office.

The Department is supportive of the concept of enhancing the state's authority to establish benchmarks pertinent to the financial status of health care institutions, however Governor Rell's proposal under SB 845 is preferable as it more closely reflects the language developed during discussion of this issue between legislative partners, the Attorney General, the Office of Policy and Management, the Department of Social Services and our agency last session. In the event that this proposal moves forward, the Department would welcome the opportunity to work with the Committee on language aimed at assessing nursing home financial condition and viability.

Thank you for your consideration of the Department's views on this bill.

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