

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

## **Testimony to the Public Health Committee**

### **In support of**

**Senate Bill 401, An Act Concerning the Establishment of an Improved Reimbursement Methodology for Nursing Home Facilities**

**Senate Bill 782, An Act Promoting the Use of Health Information Technology**

**House Bill 6674, An Act Concerning Workforce Development and Improved Access to Health Care Services**

**March 16, 2009**

**Presented by Mag Morelli, CANPFA President**

Good morning Senator Harris, Representative Ritter, and members of the Public Health 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 association of over 150 not-for-profit providers of aging services. CANPFA represents not-for-profit senior housing, adult day centers, home health agencies, assisted living service agencies, residential care homes, nursing homes, and continuing care retirement communities.

**I would like to speak today in favor of Senate Bill 410, An Act Concerning the Establishment of an Improved Reimbursement Methodology for Nursing Home Facilities, Senate Bill 782, An Act Promoting the Use of Health Information Technology, and Section 1 of House Bill 6674, An Act Concerning Workforce Development and Improved Access to Health Care Services.**

#### ***Senate Bill 410***

Medicaid is the single most important public source of financing for long term care, but the fact is that Medicaid rates do not meet the costs of providing this care. No where is this more evident than in our nursing homes. The nursing home remains the cornerstone and the safety net of our long term care system, but the financial stress of inadequate Medicaid rates is undermining the ability to provide quality nursing home care. We appreciate the effort of Senate Bill 410 to address this issue.

The ability to successfully operate a nursing home under the current financially stressed conditions is dependent on many things. One of the most important factors is maintaining a near full census. That is what we believe the language proposed in Section 1 of the bill is attempting to address.

While CANPFA agrees that the individual determination of interims rate request and/ or a certificate of need should take into consideration the needs of the entire region, we believe that this specific language may be too prescriptive. We would prefer if the language were to provide guidelines for the Department of Social Services to take into consideration when ruling on interim rate requests from individual homes that are the result of a low census.

## Section 2:

The nursing home rate setting structure that is outlined in statute establishes individualized rates based on allowable costs and held down by cost center caps. Historically this rate setting structure has been ignored in the budget process and replaced by small and arbitrary rate increases. These nominal rate increases have resulted in the providers needing to shift costs and cut expenses and the entire system is strained.

Ignoring the statutory rate structure has been extremely detrimental to nursing homes that have served this state well for many years. One key element of the rate structure is the fair rent reimbursement factor. Stabilizing and strengthening the fair rent component will enhance the ability of providers to finance improvements to their aging facilities, and it will encourage those with working capital to spend it. This will encourage the upkeep and modernization of our aging physical plants. But the bricks and mortar are just one aspect of the fair rent component. The administration has recently established a policy of denying fair rent adjustments for the purchase of *moveable* equipment such as new beds, patient lifts, and other furniture or equipment that improves the quality of patient care. This policy is extremely short sighted. Ignoring the need to upgrade residents' beds, mattresses, patient lifts, and other modernized patient care equipment will thwart efforts to improve patient care and that is why we support this proposal which would require fair rent adjustments for moveable equipment.

## Section 3:

We support this proposed change in the formula for determining paid bed hold days. The current statewide changes in nursing home census have put all homes at risk and we encourage the recognition of this fact. Not only are many homes at a lower long term census, but the cultivation of a short term rehabilitation business is often the only means of developing a healthy payer mix and this type of short term business results in frequent turnover which can also affect your overall census on a daily basis. Adjusting the paid bed hold formula would recognize this fact. We encourage the committee to recognize the need to reimburse for the maintenance and staffing of a long term bed being held for a resident who is hospitalized or on leave so that the financial viability of the nursing home is not put at risk.

## **Senate Bill 782**

CANPFA supports this proposal to swiftly implement a plan to take advantage of the opportunity offered through the federal American Recovery and Reinvestment Act of 2009 to develop a state wide health information exchange. We also believe that *eHealth Connecticut* is a viable vehicle to assume this crucial role. As a state we need to take the initiative and implement the technology solutions that will help facilitate the sharing of electronic health information between all providers of health care, including long term care. We must move forward toward a system that will improve efficiency, quality and cost effectiveness for all those involved in the health care system, but most importantly for the recipients of that care.

### **House Bill 6674**

CANPFA supports Section 1 of proposed House Bill 6674 which would develop an initiative to address the state's health care workforce shortage. In supporting this initiative, we would like to draw attention to the workforce needs of long term care. Any initiative must recognize that the long-term care field and its attendant workforce challenges are related but distinct and somewhat unique from the workforce issues faced by the overall health care sector. We must not treat the long-term care workforce concerns as merely a subset of the health sector challenges because they will get lost in the focus on hospital and ambulatory care.

*In the words of Robyn Stone, the Executive Director of the Institute for the Future of Aging Services (IFAS), "We have a long-term care workforce crisis at all levels of staff and across all long-term care settings. There is a dearth of geriatrically and gerontologically trained clinicians including medical directors, attending physicians, nurses, social workers, dieticians and therapists to adequately meet the medical, rehabilitative and social needs of an increasingly high-acuity, disabled long-term care population. But there is truly a frontline caregiver crisis — the lack of a well-trained, competent, stable workforce of nursing assistants, home care aides and personal care workers who provide the majority of hands-on services in nursing homes, assisted living and other residential facilities and people's own homes. The care they provide is intimate and personal. It is also increasingly complex and frequently both physically and emotionally challenging. Because of their ongoing, daily contact with the care recipient and the relationships that develop between the worker and the client, these frontline workers are the "eyes and ears" of the long-term care system. In addition to helping with activities of daily living, managing medication and monitoring changes in the client's status, these workers provide the personal interaction that is essential to quality of life and quality of care for chronically disabled individuals."*

While there is no easy solution to this crisis, one recommendation that has emerged from the work of the Institute on the Future of Aging Services and others over the past decade is the need to catalyze interest in the long-term care profession among young people through fellowship and loan forgiveness programs currently available to medical and nursing students.

In closing, we would encourage any health care workforce development initiative to be inclusive of the needs of long-term care.

Thank you for your consideration of this testimony.

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