



General Assembly

February Session, 2010

**Raised Bill No. 355**

LCO No. 1315

\*01315\_\_\_\_\_APP\*

Referred to Committee on Appropriations

Introduced by:  
(APP)

**AN ACT CONCERNING CAPITAL IMPROVEMENTS REQUIRED BY  
THE DEPARTMENT OF DEVELOPMENTAL SERVICES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-244 of the 2010 supplement  
2 to the general statutes is repealed and the following is substituted in  
3 lieu thereof (*Effective July 1, 2010*):

4 (a) The room and board component of the rates to be paid by the  
5 state to private facilities and facilities operated by regional education  
6 service centers which are licensed to provide residential care pursuant  
7 to section 17a-227, but not certified to participate in the Title XIX  
8 Medicaid program as intermediate care facilities for persons with  
9 mental retardation, shall be determined annually by the Commissioner  
10 of Social Services, except that rates effective April 30, 1989, shall  
11 remain in effect through October 31, 1989. Any facility with real  
12 property other than land placed in service prior to July 1, 1991, shall,  
13 for the fiscal year ending June 30, 1995, receive a rate of return on real  
14 property equal to the average of the rates of return applied to real  
15 property other than land placed in service for the five years preceding  
16 July 1, 1993. For the fiscal year ending June 30, 1996, and any

17 succeeding fiscal year, the rate of return on real property for property  
18 items shall be revised every five years. The commissioner shall, upon  
19 submission of a request by such facility, allow actual debt service,  
20 comprised of principal and interest, on the loan or loans in lieu of  
21 property costs allowed pursuant to section 17-313b-5 of the regulations  
22 of Connecticut state agencies, whether actual debt service is higher or  
23 lower than such allowed property costs, provided such debt service  
24 terms and amounts are reasonable in relation to the useful life and the  
25 base value of the property. In the case of facilities financed through the  
26 Connecticut Housing Finance Authority, the commissioner shall allow  
27 actual debt service, comprised of principal, interest and a reasonable  
28 repair and replacement reserve on the loan or loans in lieu of property  
29 costs allowed pursuant to section 17-313b-5 of the regulations of  
30 Connecticut state agencies, whether actual debt service is higher or  
31 lower than such allowed property costs, provided such debt service  
32 terms and amounts are determined by the commissioner at the time  
33 the loan is entered into to be reasonable in relation to the useful life  
34 and base value of the property. The commissioner may allow fees  
35 associated with mortgage refinancing provided such refinancing will  
36 result in state reimbursement savings, after comparing costs over the  
37 terms of the existing proposed loans. For the fiscal year ending June 30,  
38 1992, the inflation factor used to determine rates shall be one-half of  
39 the gross national product percentage increase for the period between  
40 the midpoint of the cost year through the midpoint of the rate year. For  
41 fiscal year ending June 30, 1993, the inflation factor used to determine  
42 rates shall be two-thirds of the gross national product percentage  
43 increase from the midpoint of the cost year to the midpoint of the rate  
44 year. For the fiscal years ending June 30, 1996, and June 30, 1997, no  
45 inflation factor shall be applied in determining rates. The  
46 Commissioner of Social Services shall prescribe uniform forms on  
47 which such facilities shall report their costs. Such rates shall be  
48 determined on the basis of a reasonable payment for necessary  
49 services. Any increase in grants, gifts, fund-raising or endowment  
50 income used for the payment of operating costs by a private facility in

51 the fiscal year ending June 30, 1992, shall be excluded by the  
52 commissioner from the income of the facility in determining the rates  
53 to be paid to the facility for the fiscal year ending June 30, 1993,  
54 provided any operating costs funded by such increase shall not  
55 obligate the state to increase expenditures in subsequent fiscal years.  
56 Nothing contained in this section shall authorize a payment by the  
57 state to any such facility in excess of the charges made by the facility  
58 for comparable services to the general public. The service component  
59 of the rates to be paid by the state to private facilities and facilities  
60 operated by regional education service centers which are licensed to  
61 provide residential care pursuant to section 17a-227, but not certified  
62 to participate in the Title XIX Medicaid programs as intermediate care  
63 facilities for persons with mental retardation, shall be determined  
64 annually by the Commissioner of Developmental Services in  
65 accordance with section 17b-244a. For the fiscal year ending June 30,  
66 2008, no facility shall receive a rate that is more than two per cent  
67 greater than the rate in effect for the facility on June 30, 2007, except  
68 any facility that would have been issued a lower rate effective July 1,  
69 2007, due to interim rate status or agreement with the department,  
70 shall be issued such lower rate effective July 1, 2007. For the fiscal year  
71 ending June 30, 2009, no facility shall receive a rate that is more than  
72 two per cent greater than the rate in effect for the facility on June 30,  
73 2008, except any facility that would have been issued a lower rate  
74 effective July 1, 2008, due to interim rate status or agreement with the  
75 department, shall be issued such lower rate effective July 1, 2008. For  
76 the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect  
77 for the period ending June 30, 2009, shall remain in effect until June 30,  
78 2011, except that (1) the rate paid to a facility may be higher than the  
79 rate paid to the facility for the period ending June 30, 2009, if a capital  
80 improvement required by the Commissioner of Developmental  
81 Services for the health or safety of the residents was made to the  
82 facility during the fiscal years ending June 30, 2010, or June 30, 2011,  
83 and (2) any facility that would have been issued a lower rate for the  
84 fiscal years ending June 30, 2010, or June 30, 2011, due to interim rate

85 status or agreement with the department, shall be issued such lower  
86 rate.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	17b-244(a)

**Statement of Purpose:**

To exempt capital improvements required by the Department of Developmental Services to certain facilities from the current rate freeze.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*