

CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

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Testimony of Matthew Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), Inc., before the Human Services and Public Health Committees of the Connecticut General Assembly

Care for Seniors in Nursing Homes Public Hearing

Good afternoon Senators Doyle and Harris, and Representatives Walker and Ritter, and to the members of the Human Services and Public Health Committees. My name is Matthew Barrett. I am the Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), our state's 110-member trade association of proprietary and-not-for profit skilled nursing facilities. Thank you for this opportunity to submit this written testimony for the record at today's public hearing on *Care for Seniors in Nursing Homes*. I understand that today's hearing has a particular focus on the quality of care provided in nursing homes during employee job actions, such as nursing homes strikes.

It is not possible, or even desirable, to consider any of today's collective bargaining issues without first considering the underlying environment of financial stress now being experienced by Connecticut nursing homes. To be sure, the financial stress is nearing crisis proportions and is a clear barrier for achieving consensus between nursing home operators and their employees.

Connecticut's payment methodology for nursing facilities is broken. Today, nursing homes are in the midst of almost \$300 million in state funding cuts even when today almost 90% of Connecticut nursing homes are paid less than the allowable cost or providing services to Medicaid residents. On average, the Medicaid funding loss is \$20.92 per resident per day for providing quality nursing home care, including 24-hour skilled nursing care, three meals per day, medical supplies and essential care services for grooming, personal care, bathing and other activities.

This unsustainable system, where the cost of providing care overwhelmingly bears little resemblance to reimbursement rates, is so broken that our association of 110 nursing homes has taken the extraordinary measure of filing suit against Governor M. Jodi Rell (*CAHCF v. Rell*) in federal district court to enjoin any further cuts from being implemented. For years, Medicare and private paying residents have "cross-subsidized" Medicaid – meaning that it helps fill in the gaps where the state Medicaid rate does not adequately cover the actual costs of skilled nursing care. In fact, while the average Medicaid per patient rate is \$207, the average private pay is \$335 for the same level of care. While the long term care community has historically depended on Medicare funding to prop up underfunded state Medicaid programs, deep Medicare cuts in health care reform legislation and other federal cuts weaken the financial support provided on a federal level. Compounding the current situation, there has been no Medicaid rate increase since 2007.

One need look no further than the well-publicized bankruptcies and receiverships for the evidence of the financial instability. A home even announced its intention to voluntarily close recently. Five homes have closed in the last two years. Today, dozens of homes are at the doorsteps of our state government seeking interim rate and hardship rate relief from the Medicaid program. All told, it is a very difficult environment for nursing homes to satisfy all the demands being made by their employees.

However, Connecticut nursing homes must and will assure that quality and continuity of care is provided to our residents during any job action. For nursing homes, this is much more than a legal requirement of the Public Health Code, enforceable by the Department of Public Health (DPH). This is the very mission of our nursing homes. As such, all Connecticut nursing homes engage in rigorous strike contingency planning with state officials. The plan must be approved by the DPH. Every nursing home has plan in place to assure that high quality staffing will be in place to care for residents. A ten day notice to the employer of the union's intentions is requirement of the law. Once a strike has begun the DPH inspectors monitor regularly, and sometimes daily to ensure that the employer's intention to provide quality care is being carried out without interruption in that quality of care or services. Certainly, strikes present very significant challenges for homes, but Connecticut nursing homes have a strong history of assuring for quality when it has been needed and are very experienced and well-prepared in the event of potential strikes.

For additional information on this written testimony, please contact Matthew Barrett at mbarrett@cahcf.com or (860) 290-9424.