

To the Legislature's Appropriations Committee

RE: DSS Budget Hearing and the Governor's Proposal to Eliminated Rate Increases

My name is Dr. Theodore Martland and I'm the General Partner of two Limited Partnerships which own The Elton (96 beds) and Park City (50 beds) Residential Care Homes. Such partnerships generated low and historical tax credits for their creation, which in turn generated lower reimbursement rates to the advantage of the State; What Gary Richter identified as the best return for the "buck" in the Health Care Continuum. In my case, I'm not on the payroll of either RCH.

There are more than 100 regulated Residential Care Homes in Connecticut, probably one in most house district's catering to persons who are able to maintain a degree of independence while needing assistance with problems of daily living. Most are small with less than 25 residents and all maintain the lowest cost levels in the health care continuum.

The cost report, reimbursement system for approved costs is fair, works well and maintains economies on the part of the State.

We all know these are hard times for all of us including the State of Connecticut. However we also know that basic costs such as food, energy, employee health care and property tax costs are, and have been, increasing. And in the case of a number of RCH homes, their staffs, who are mostly modest income employees, have not seen a raise in wages for several years, contrary to most public employees. Thus when labor costs can be expected to increase at a minimum of 3%, holding reimbursements @ 0% will cause considerable hardship, even possible closings.

If the Legislature deems it necessary to hold our reimbursement rates, again overlooking legitimate increases in costs; then I urge the legislature to work with the membership of RCH homes on possible regulation modifications which could reduces some of our increased costs.

Thank you kindly for your time and consideration.

Dr. T. H. Martland