To: Ladies and Gentlemen of the Human Services Committee

RE: HB6593 Concerning Residential Care Homes

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 (RCHs). 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 (there is a 3rd in Greenwich). 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.

In an economy where we are now experiencing higher costs for food, energy, staff healthcare, and local taxes, and where most RCH employees have not received pay increases as have most public sector employees, any act by State Government which increases RCH costs while holding RCH income constant will only add to our distress and potential financial failure in some instances.

Thus we urge the Public Health Committee not to add any operational costs by the Commissioner of Public Health to adapt further regulation concerning training and certification for the administration of medications. The "old" "supervision of self administered medication" has worked well for decades with a minimal labor cost to most RCH's and especially those of us who have Federal restrictions on the types of staff we may retain (no nurses). While adding nurse supervision, on a third party basis, isn't a

direct cost to the RCH, it still adds labor costs which could be better allocated directly to RCHs in added reimbursement.

Any other cost containment the committee may consider will be most appreciated, and please note my suggested cost containments attached.

Thank you kindly for your time and consideration.

## Ideas for savings for Residential Care Homes:

1. Medication by Unlicensed Certified Providers

Return to "Supervision of self administered medication" which was the norm for years. This provision increases labor costs, in an environment where pay rates will be frozen.

2. Annual Cost Reports

The accounting for Annual Cost Reports is expensive. If State payments are to be again "frozen" then a very simplified cost report should be more than adequate.

3. Question on Electricity tax and other taxes

Sales taxes on energy taxes for Residential Homes are currently exempted, however other taxes could "offset" no income increases, such as energy and other taxes.

4. Air Conditioning

Hold requirement for added air conditioning if not reimbursed for RCH's that do not currently have air conditioning.

## Savings to the State:

1. Medications in “bubble packs”

Allow medications, not used in “bubble packs” to be returned to pharmacies (or the State) for credit on cost (note: sometimes an MD will change a prescription when the patient still has a month’s use of a different prescription)

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