APPLE REHAB

Corporate

February 17, 2012

Written testimony of Mark Hambley, Chief Financial Officer, Apple Rehab, Concerning the SFY 2013 Midterm Budget Adjustment.

Good evening Senator Harp, Representative Walker and to the members of the Appropriations Committee. My name is Mark Hambley. I am the Chief Financial Officer at Apple Rehab in Avon, Connecticut. Apple Rehab is a longstanding provider of quality nursing care throughout this great State. Everyday, our three thousand (3,000) employees care for over two thousand – two hundred (2,200) of Connecticut's most precious residents. I am here this evening to ask for your consideration of two proposals being advanced by the Connecticut Association of Health Care Facilities (CAHCF), of which our organization is a member.

First, we are asking that the Appropriations Committee take a strong position in support of improving the quality of Connecticut nursing homes by reversing the damaging freeze on the fair rent property adjustment in Connecticut's nursing home rate setting rules which has been in place since 2009. We understand and have endured the limited overall reimbursement over the past four years and have maintained our reputation for operating efficient facilities. We have controlled our labor costs, negotiated better pricing with our vendors and held the line on our health and business insurance expenditures. However, we operate twenty-four (24) homes in Connecticut and continue on a daily basis to insure that these physical plants adequately protect the safety of our residents. When a roof, a furnace or a bed needs to be replaced we

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simply can not ignore it, we replace them. Maintaining and more importantly improving the physical environment for our residents is paramount to the quality care we provide. It is for this reason that we are asking the committee to keep focus on nursing home quality by restoring Fair Rent reimbursement.

No upfront dollars are needed to inspire these quality improvement projects if fair rent reimbursement is available. Only facilities investing in improvements will be eligible for fair rent adjustments. In addition, nursing homes bear the entire up front expenses; however, fair rent reimbursement is an important consideration for lending institutions considering investing in these renovation projects. Apple Rehab believes the benefits of these quality improvements, jobs and economic stimulus should be included in this State's plan. We recognize the importance to engage local vendors and manufacturers for all our projects and are pleased by the fact that we can give back to the communities and economy we operate in. I hope that the midterm budget adjustment before the committee can be an opportunity to once again have a public policy in Connecticut which recognizes and encourages nursing home quality improvement in the Medicaid rate setting formula. Please support proposed legislation titled **AN ACT CONCERNING NURSING FACILITY QUALITY IMPROVEMENT THROUGH FAIR RENT AND MOVEABLE EQUIPMENT RECOGNITION IN MEDICAID RATES.**

Secondly, we ask that the Appropriations Committee also consider proposed legislation titled **AN ACT CONCERNING ADVANCE PAYMENTS FOR UNCOMPENSATED CARE PROVIDED BY NURSING HOMES DUE TO EXCESSIVE DELAYS IN THE MEDICAID ELIGIBILTY DETERMINATION**

PROCESS. Advance Medicaid Payments to nursing homes is urgently needed to address the persistent and worsening problem of excessive delays in the long term care Medicaid eligibility determination process at the Department of Social Services (DSS). We are sensitive to the fact that the department is operating with approximately two thirds (2/3) of the eligibility staff than it did in 2002 and at the same time this staff has been saddled with an increase in cases throughout the Medicaid system due to the economy. Unfortunately our homes and residents are harmed by excessive delays in the eligibility determination process. As Medicaid applicants are awaiting final disposition of their requests for State help, our homes are providing uncompensated care for periods of time that exceed federal standards. Currently, throughout our twenty-four (24) homes we are waiting for eligibility determinations on one hundred and sixty-five (165) cases which amount to four million, one hundred and eight thousand and seven hundred and forty-nine dollars ($ 4,108,749). We understand, applaud and encourage the Department of Social Services efforts to modernize its eligibility systems and for their commitment to hire badly-needed eligibility staff to address delays across the entire public and medical assistance spectrum. We also appreciate that the department is considering a request for an overtime project to expedite delayed long term care Medicaid cases. However, requiring DSS to advance payment to nursing homes is warranted under these circumstances as well.

We urge the Appropriations Committee to devote state resources to badly-needed nursing home quality improvement and address the harmful consequences of excessive delays in the Medicaid eligibility determination process.