



Salmon Brook Center

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Written testimony of Blair Quasnitschka, LNHA, Administrator, Salmon Brook Center a member of Genesis HealthCare concerning the Governor's FY 2014 and FY 2015 Biennial Budget Recommendation.

Good evening Senator Harp, Representative Walker and to the members of the Appropriations Committee. My name is Blair Quasnitschka. I am a licensed nursing home administrator, currently serving at Salmon Brook Center in Glastonbury, a member of Genesis Healthcare, who I have worked for just under 5 years. Genesis operates nationwide, serving residents with short term rehab, long term care, dementia care, and end of life needs. At the Connecticut level, Genesis employs 3,183 staff members and serves as long lasting stewards of the communities we operate in. In these communities, Genesis holds license of 2,729 skilled nursing beds. Many of our Centers, including Salmon Brook, are American health Care Association Award Winners.

I am here this evening with a simple message from nursing home operations, and on behalf of the residents we care for and the employees serving them: *Our nursing facilities cannot absorb any more reductions*, without laying off employees and jeopardizing the high quality care our residents deserve. I am not here to instruct anyone as to where the State needs to cut from, but I am here to oppose the damaging cuts to Connecticut nursing homes proposed in the Governor's recommended biennial budget. The proposal removes \$53.4 million in FY 2014 and \$8.10 million in FY 2015 from Medicaid spending estimates related to savings associated with eliminating both the scheduled rebasing of rates effective July 1, 2013 and the 2% inflation adjusted estimated for July 1, 2014. Additionally, the budget cuts \$11.0 million in FY 2014 and \$14.8 million in FY 2015 in order to reduce the 75% of the "enhanced funding" received by nursing facilities in SFY 2013 as a result of the two provider tax funded rate increases granted since July 1, 2012. Overall, we stand to see our Medicaid rates reduced by 1.2% with this proposal.

The timing of these proposed cuts could not be worse, as many skilled nursing facilities are still reeling in the turbulent wake of the 2012 Medicare reductions which were as high as 16% in many Connecticut based facilities. Additional Medicare cuts are on the horizon, a 2% sequestration cut might unfortunately be our best case scenario. On Medicaid residents specifically, we lose an average of \$14 per day based on our

reimbursement levels and what it actually costs for care. This equates annually to a shortfall of \$400,000 in unfunded costs. The Medicaid system has not received a rate increase since 2007, with the exception of increases made possible by increasing the user fees paid by nursing homes themselves (these increases are proposed for reduction in the upcoming budget). The Fair Rent component of the rate formula, which incents nursing home quality improvement, was frozen in 2009 and only partially restored in the last budget. This is a glaring issue for facilities that are facing structural and life safety inadequacies due to the aging physical plants we operate in.

The industry has been subject to nursing home receiverships, bankruptcies, closures, and Medicaid hardship rate relief requests. Connecticut maintains 600,000 residents over the age of 60, and they are followed up by 1 million baby boomers. As the number of beds needed to support this part of the population rises, as does the level of expectation to meet the needs of our residents; expectations that cannot be met if we continue to travel down the road of reimbursement cuts. Despite the efforts to allow the population to age at home with services, nursing homes will forever be the critical artery that joins long term care and our aging population.

We urge the committee to scale back the proposed cuts and address the ongoing needs of our nursing homes. Instead of viewing us as an entity that negatively impacts the community and financial viability of our State, consider nursing homes to be a vital, cost effective component of the future of post acute care in Connecticut – in reducing avoidable hospital stays and in providing more transitional service for residents who will eventually return home. For the good of our facilities and residents, we are asking for your support in (1) totally reversing the 2009 freeze, and fully recognize Fair Rent and Moveable Equipment in the rate formula; (2) continue to work to resolve the ongoing excessive delays in the Medicaid eligibility process; (3) create a payment system which incents nursing home quality improvement with payment methods to reduce licensed beds consistent with the State's long term care rebalancing and rightsizing goals, and (4) reverse the cuts proposed in the Governor's biennial budget recommendation.

Many of our residents helped to build the foundation of this great State, now is not the time to desert them or ignore their needs. Hard working staff and our residents are counting on us to equip our facilities with the support and resources required to deliver high quality healthcare. Thank you for your time and consideration.