February 14, 2013

Testimony of Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), Inc.

Good morning Senator Slossberg, Representative Abercrombie and to the members of the Human Services Committee. My name is Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), our state's one hundred and sixty-seven (167) member trade association of skilled nursing facilities and Rehabilitation Centers. Thank you for this opportunity to offer testimony this morning.

Our association urges the committee to take no action on **Senate Bill No. 852, AN ACT CONCERNING NURSING HOME OVERSIGHT AND COMMUNITY-BASED PLACEMENTS.**

Sec. 1 and 2 of the bill:

The Nursing Home Finance Advisory Committee was established in 1998 (PA 98-239, Sept. Sp. Session) with the statutory charge to examine the financial solvency of nursing homes on an ongoing basis. The Commissioners of Social Services and Public Health are the statutorily assigned chairpersons of the committee. After being almost completely dormant for over a decade, despite a clear statutory charge and specific statutory requirements, including reporting requirements, the enabling legislation was significantly amended in 2009 (PA 09-5). The 2009 amendment, among other things, removed the director of Office of Fiscal Analysis as a member, removed representatives of nonprofit and for-profit nursing homes as members, and added the executive directors of the Connecticut Association of Not-for-Profit Providers for the Aging (now Leading Age Connecticut) and the Connecticut Association of Health Care Facilities. Further the amendment added the requirement that the Nursing Home Finance Advisory Committee make recommendations to the Commissioner of Public Health and a provision requiring Commissioner of Social Services to submit quarterly reports to committee. In addition, the amendment added the appropriations committee to receive the statutorily required reports. Finally, the amendment required the committee to meet with the chairpersons of human services, appropriations and public health committees on a quarterly basis. Since the 2009 amendments, the reconstituted and revised advisory committee remains dormant today. Accordingly there has been no activity or any record of compliance with the existing law in four years, and only partial compliance in the previous decade.

The Human Services Committee should reject the additional revisions proposed in SB 852. There is no experience or basis that can be provided to support SB 852 and its request for further revisions and reconstitutions of the underlying nursing home finance advisory committee, because the existing advisory committee, as amended in 2009, has not convened. Moreover, the requested amendments to the advisory committee now being made are fraught with challenges not easily overcome. First,

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replacing the executives from the nursing home provider associations with private nursing home providers, for profit and nonprofit, will create insurmountable conflicts of interest as business competitors would be charged with reviewing questions of financial stability and quality of care questions of competing nursing homes. Second, the bill would put into the public record a full range of confidential and propriety information concerning nursing homes financial circumstances, even though DSS currently has a tremendous amount of information concerning nursing home finances, including the comprehensive annual cost report filings on all nursing homes in the state. DSS currently has very significant authorities under current law to evaluate a nursing home's financial stability and needs. Such an invasion of private and propriety business records is hardly warranted, especially when the record is very clear that no effort has been made by DSS to implement its already ample authorities concerning the nursing home finance advisory committee. Finally, there is very weak correlation between the bill's 85% occupancy threshold and long term financial stability, particularly in an economic downturn. This is an imperfect measure to trigger new reporting requirements for all nursing homes. In light of scarce DSS and nursing home resources, it would be much more efficient to work with the existing and significant cost report filings as a first measure to evaluate financial stability.

Sec. 3:

This provision will add thirty days to the nursing home certificate of need (CON) process for closing a home. The Human Services Committee should reject this provision because it will stifle nursing home rightsizing goals and significantly increase nursing homes costs by unnecessarily lengthening the already lengthy, burdensome and costly CON closure process. Efforts to enhance home and community based services are fully developed and being implemented all across Connecticut. Connecticut's hallmark Money Follows the Person (MFP) Program has been operational for several years. With tens of millions in federal resources, among other things, dozens of new workers are now being added to the very significant effort to move nursing home residents to home and community based environments when it can be done safely and cost effectively. Even with these extraordinary MFP efforts, a long waiting list for MFP services presently and nursing home residents today too often wait months to even be evaluated by the program. Connecticut nursing homes have been excellent partners with our state government in all of these efforts. However, MFP should make a priority of its current wait list for services, rather than contributing to delays in the closing of a nursing home, which is counter to the state's long term care rebalancing goals. In this respect, the committee should give consideration to expediting the voluntary closing of a nursing home by reviewing Connecticut's onerous and costly CON closure process, rather than lengthening the process as proposed here.

For these reasons, we urge the committee to reject SB 582.

I would be happy to answer any question committee members may have.