



CONNECTICUT
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Raised Bill 1060
Public Hearing: 3-13-13

TO: **MEMBERS OF THE JUDICIARY COMMITTEE**
FROM: **CONNECTICUT TRIAL LAWYERS ASSOCIATION (CTLA)**
DATE: **March 13, 2013**

RE: ***SUPPORT OF RAISED BILL 1060, AN ACT CONCERNING THE
MAINTENANCE OF PROFESSIONAL LIABILITY INSURANCE BY
NURSING HOMES, HOME HEALTH CARE AGENCIES AND
HOMEMAKER-HOME HEALTH AIDE AGENCIES.***

The Connecticut Trial Lawyers Association respectfully urges the members of the Judiciary Committee to **PASS RAISED BILL NO. 1060.**

Raised Bill 1060 seeks to revise existing Connecticut General Statutes Section 19a-491a by requiring liability insurance for Nursing Homes. Under current law, a Nursing Home is not required to maintain liability insurance. This Raised Bill responds to recent bankruptcy filings by Nursing Homes. In one public incident, a home allegedly was deliberately underfunding itself, and funds were improperly funneled to launch a Nashville recording company for its CEO. As a result of the bankruptcy, numerous claims and lawsuits against the home became unsecured creditors, and it was later uncovered that no liability insurance was in effect. The claims, some involving wrongful death, were left unpaid, families left without justice or compensation for their losses. Notice was never given to families admitting their loved ones that the facility was uninsured for its mistakes.

In one recent example, a resident of a facility was severely neglected, suffered unnecessary bedsores, and ultimately died from neglect. The family had the circumstances investigated and top experts found severe neglect by the home, and such neglect was directly responsible for her death. Litigation commenced and during the litigation the home filed for bankruptcy, and notified the family's lawyer that there was no insurance, and the decedent's estate would be unpaid for the loss of her life.

As proposed, this Raised Bill seeks to amend Connecticut General Statutes § 19a-491a which governs the requirements for establishing and maintaining a Nursing Home in this State. These changes address the dangerous position families now face when their loved one is placed in a Connecticut Nursing Home

facility. Under our law, a motor vehicle cannot be driven on our streets without at least \$20,000 of liability insurance and it seems shocking that our current statutes do not require a commercial nursing facility, which provides medical care to numerous infirm and elderly patients (who are most at risk, and often incapable of informed long term care selections) to maintain liability insurance.

Additionally, Raised Bill 1060 will help to ensure that society does not end up being the ultimate insurer of these homes indirectly. Often Medicare and Medicaid have legal liens for tens of thousands of dollars in cases of neglect, and are reimbursed for medical expenses these programs paid as a result of neglect during the claims process. Without a source of claims resolution these essential government programs suffer the consequences as well.

For these reasons, CTLA urges members to PASS the Raised Bill.

Thank you.

WE RESPECTFULLY URGE YOU TO PASS RAISED BILL 1060