

Advanced Nursing & Rehab Center of New Haven, LLC

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Dear Senator Bye, Representative Walker and Members of the Appropriations Committee.

My name is Thomas Quinn, I am the Administrator of Advanced Nursing & Rehab Center of New Haven, CT. Advanced is a 226 bed inner city Skilled Nursing Health Care Facility, previously known, for 98 years, as the Jewish Home for the Aged.

In 2011 The Jewish Home filed for bankruptcy protection, with the present ownership taking over on July 28, 2011. This was a ray of hope for this facility and it's 344 Employees! Today the facility is 100 years of age, and very proud to continue to provide excellent care to the residents of New Haven and it's surround communities. However, as a health care operator, and on behalf of our residents, their families and caregivers:

Advanced Nursing & Rehab Center needs your help. We simply cannot continue on a path where no assistance is provided, without losing employees and jeopardizing quality of care. We are very mindful and understanding of Connecticut's fiscal challenges. But, at a time when we need our State government most, to help us maintain the quality of care which we are know for, and required of us, we have to continue to speak up.

It is our understanding that during the last legislative session, the adopted budget cut out \$53.4 million in fiscal year 2014 and \$81.0 million in fiscal year 2015, from Medicaid spending estimates related to savings associated with eliminating the scheduled rebasing of rates. Effective July 1, 2013, and the inflation estimated for July 1, 2014, an additional proposed nursing facility funding cut of \$11.0 million in fiscal year 2014 and \$14.8 million in fiscal year 2015 was only partially restored, leaving a \$5 million reduction. Regrettably, under the adopted rate formula, most health care facilities rates were cut at a time when operating costs continue to move upwards, costs such as insurance, food, property taxes, wages, repairs, utilities and medical supplies.

Especially, given the State's surplus, these cuts were poorly timed. Connecticut nursing facilities remain in a serious period of ongoing financial distress. Medicare reductions in 2012 were as high as 16% in many of our Connecticut Facilities. Further, nursing homes were cut an additional 2% in the Medicare sequester last year. At the state level, the gap under Medicaid, between providing care and it's cost, is widening dramatically. This year, health care providers will on average be reimbursed \$25.43 per patient day less than what it cost to care for these residents. At Advanced Nursing, being an inner city facility which provides care mainly for Medicaid patients this represents an estimated \$1,522,239 loss per year.

There has been no Medicaid rate increase for nursing facilities in the system since 2007, except for increases made possibly by raising the user fees paid by nursing homes themselves again, cut by \$5 million last session.

The fair rent component of the rate formula, which affects our quality improvement, has been restored only to its' 2009 level, and the system still fails to reimburse for improving patient care and safety, with new furniture, beds and other types of equipment, known as moveable equipment. This is especially important given that many of our facilities in Connecticut are nearly 40+ years old and have the need for ongoing investment. In the two years as Advanced, the owner has invested \$1.3 million thus far in physical plant improvements...i.e. heating, HVAC, roof & elevator to name a few.

There are 600,000 plus residents in Connecticut over the age of 60. Connecticut's aging population is among the oldest in the nation, with over 160,000 citizens over the age of 80 according to a December 2012 report issued by the U.S. Census Bureau. Much is being asked of our facilities today, and more will be asked in the future, given the dramatic aging of our populations. The need to reform our rates as the state continues in the direction of long term care/sub-acute rebalancing & rightsizing. These changes will mean that the acuity and numbers of nursing facility residents will continue to rise as our population ages, even as more resident choose home and community based environments to receive their care. The notion that our health care facilities are not needed is false. While we have supported efforts to increase care at home in such programs as "money follows the person", we are asking the Appropriations Committee to recognize that home care is not always the best option for our rapidly aging population.

Even with the emphasis on home care today, health care facilities will remain a critical component in the continuum of long term care, especially to prevent an avoidable readmission to a hospital.

In conclusion, we are asking the Committee to seriously address the ongoing need not only of our facility, but those of our industry. We ask you to consider skilled nursing facilities as a critical, and cost-effective component of the future of post acute care in our state. It's proven that our industry reduces avoidable hospital stays, readmission and, in providing more transitional services for our residents who will eventually return home.

Toward these ends, we are asking to work with you to;

- A. Create a payment system which supports nursing facility quality improvement with payment methods to reduce licensed beds, consistent with the State's long term care rebalancing and rightsizing goals;
- B. Totally restore the cuts from last session;
- C. Continue to work to resolve the ongoing excessive delays in the Medicaid eligibility process; and finally
- D. Reverse the current trend of flat or reduced funding and recognize the importance of nursing facility care going forward as essential in the continuum of long term care.

In closing, if at any time you would like to tour an inner city facility, I am extending an open invitation.

Tom Quinn

