



**Testimony of Deborah Chernoff
New England Health Care Employees Union, District 1199, SEIU
Before the Appropriations Committee - DSS Budget**

Good afternoon, Senator Bye, Representative Walker, and other distinguished members of the Appropriations Committee. I am Deborah Chernoff, Public Policy Director for District 1199, testifying on behalf of the 25,000 health care workers in our union in this state. Our nursing home caregivers and elderly residents they care for in Connecticut facilities, together with our members who work for private non-profit agencies, are deeply affected by the funding decisions you make in this building.

The effects of those decisions are not limited to any one year or budget, but are cumulative. That is particularly true of the budget decisions around Medicaid rate setting by the Department of Social Services. If our aim is to deliver compassionate, safe and high-quality care, we must stop setting Medicaid rates so far below the actual cost of providing care that we cannot support adequate levels of staffing in nursing homes.

For many years now, the funding system for nursing homes has been breaking down but now, budget decisions made last year and legislation proposed this year may well deliver that system's complete destruction. Late in the prior fiscal year, \$11.1 million was cut from the nursing home budget. While \$6.1 million dollars was eventually restored, that still leaves a \$5 million dollar hole. Rates for long term care providers continue to be set at far less than the actual cost of care with serious consequences for our nurses, aides and support staff. Since labor costs are the biggest expense for providers, it is inevitable that when providers are squeezed, our members suffer the effects along with the residents: hours cuts and layoffs that strain the remaining staff and exacerbate staff shortages, together with soaring health insurance costs that caregivers cannot afford. This is particularly acute in urban nursing homes, where virtually all of

the residents get their care paid for by Medicaid, exacerbating the racial and socio-economic disparities in the provision of long-term care for the elderly that are described in the attached review of recent research. Many of our members work in those urban homes, so they, their families and the residents they care for feel the effects of those disparities daily.

Now we see legislation proposed that will make a bad situation completely untenable. House Bill 5052, if enacted, will remove one of the few remaining mechanisms for allowing nursing homes to see their actual costs of providing care reflected in their reimbursement rates by (1) changing the re-basing statute so that rates can go down with lowering costs but not up to reflect higher costs and (2) eliminating any potential adjustments for inflation. Since nursing homes can't turn down the heat or stop serving food – and those costs WILL increase, since we can't legislate away inflation – we will see more hours and jobs cut, even worse staffing ratios and even fewer employees with adequate health benefits, forcing them onto the Medicaid and HUSKY insurance rolls, where we just pay for benefits from a different budget line. Those same changes regarding rebasing and inflation will also impact our direct care staff who work for private DD/ID agencies, where many of our members have not had a wage increase in five years.

Pretending that there is a no-cost solution, or that the problem will go away if we ignore it long enough, or that home care can make everything better if we just clap our hands and believe, but don't invest, is magical thinking. Quality care for people costs money, no matter where or how it's delivered, whether home- or facility-based, and we can't wish – or even legislate – that reality away. So I urge you to think long, carefully and compassionately about the real costs and consequences of continuing to underfund and undermine long-term care for the elderly and people with disabilities – not just about the short-term effects on our budget balance.

Attached: Study links poor financial performance and 'de facto' nursing home segregation.