



General Assembly

Substitute Bill No. 323

February Session, 2014



AN ACT CONCERNING CAPITAL EXPENDITURES AT RESIDENTIAL CARE HOMES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (1) of subsection (h) of section 17b-340 of the
2 2014 supplement to the general statutes is repealed and the following
3 is substituted in lieu thereof (*Effective July 1, 2014*):

4 (h) (1) For the fiscal year ending June 30, 1993, any residential care
5 home with an operating cost component of its rate in excess of one
6 hundred thirty per cent of the median of operating cost components of
7 rates in effect January 1, 1992, shall not receive an operating cost
8 component increase. For the fiscal year ending June 30, 1993, any
9 residential care home with an operating cost component of its rate that
10 is less than one hundred thirty per cent of the median of operating cost
11 components of rates in effect January 1, 1992, shall have an allowance
12 for real wage growth equal to sixty-five per cent of the increase
13 determined in accordance with subsection (q) of section 17-311-52 of
14 the regulations of Connecticut state agencies, provided such operating
15 cost component shall not exceed one hundred thirty per cent of the
16 median of operating cost components in effect January 1, 1992.
17 Beginning with the fiscal year ending June 30, 1993, for the purpose of
18 determining allowable fair rent, a residential care home with allowable
19 fair rent less than the twenty-fifth percentile of the state-wide

20 allowable fair rent shall be reimbursed as having allowable fair rent
21 equal to the twenty-fifth percentile of the state-wide allowable fair
22 rent. Beginning with the fiscal year ending June 30, 1997, a residential
23 care home with allowable fair rent less than three dollars and ten cents
24 per day shall be reimbursed as having allowable fair rent equal to
25 three dollars and ten cents per day. Property additions placed in
26 service during the cost year ending September 30, 1996, or any
27 succeeding cost year shall receive a fair rent allowance for such
28 additions as an addition to three dollars and ten cents per day if the
29 fair rent for the facility for property placed in service prior to
30 September 30, 1995, is less than or equal to three dollars and ten cents
31 per day. For the fiscal year ending June 30, 1996, and any succeeding
32 fiscal year, the allowance for real wage growth, as determined in
33 accordance with subsection (q) of section 17-311-52 of the regulations
34 of Connecticut state agencies, shall not be applied. For the fiscal year
35 ending June 30, 1996, and any succeeding fiscal year, the inflation
36 adjustment made in accordance with subsection (p) of section 17-311-
37 52 of the regulations of Connecticut state agencies shall not be applied
38 to real property costs. Beginning with the fiscal year ending June 30,
39 1997, minimum allowable patient days for rate computation purposes
40 for a residential care home with twenty-five beds or less shall be
41 eighty-five per cent of licensed capacity. Beginning with the fiscal year
42 ending June 30, 2002, for the purposes of determining the allowable
43 salary of an administrator of a residential care home with sixty beds or
44 less the department shall revise the allowable base salary to thirty-
45 seven thousand dollars to be annually inflated thereafter in accordance
46 with section 17-311-52 of the regulations of Connecticut state agencies.
47 The rates for the fiscal year ending June 30, 2002, shall be based upon
48 the increased allowable salary of an administrator, regardless of
49 whether such amount was expended in the 2000 cost report period
50 upon which the rates are based. Beginning with the fiscal year ending
51 June 30, 2000, and until the fiscal year ending June 30, 2009, inclusive,
52 the inflation adjustment for rates made in accordance with subsection
53 (p) of section 17-311-52 of the regulations of Connecticut state agencies
54 shall be increased by two per cent, and beginning with the fiscal year

55 ending June 30, 2002, the inflation adjustment for rates made in
56 accordance with subsection (c) of said section shall be increased by one
57 per cent. Beginning with the fiscal year ending June 30, 1999, for the
58 purpose of determining the allowable salary of a related party, the
59 department shall revise the maximum salary to twenty-seven
60 thousand eight hundred fifty-six dollars to be annually inflated
61 thereafter in accordance with section 17-311-52 of the regulations of
62 Connecticut state agencies and beginning with the fiscal year ending
63 June 30, 2001, such allowable salary shall be computed on an hourly
64 basis and the maximum number of hours allowed for a related party
65 other than the proprietor shall be increased from forty hours to forty-
66 eight hours per work week. For the fiscal year ending June 30, 2005,
67 each facility shall receive a rate that is two and one-quarter per cent
68 more than the rate the facility received in the prior fiscal year, except
69 any facility that would have been issued a lower rate effective July 1,
70 2004, than for the fiscal year ending June 30, 2004, due to interim rate
71 status or agreement with the department shall be issued such lower
72 rate effective July 1, 2004. Effective upon receipt of all the necessary
73 federal approvals to secure federal financial participation matching
74 funds associated with the rate increase provided in subdivision (4) of
75 subsection (f) of this section, but in no event earlier than October 1,
76 2005, and provided the user fee imposed under section 17b-320 is
77 required to be collected, each facility shall receive a rate that is
78 determined in accordance with applicable law and subject to
79 appropriations, except any facility that would have been issued a
80 lower rate effective October 1, 2005, than for the fiscal year ending June
81 30, 2005, due to interim rate status or agreement with the department,
82 shall be issued such lower rate effective October 1, 2005. Such rate
83 increase shall remain in effect unless: (A) The federal financial
84 participation matching funds associated with the rate increase are no
85 longer available; or (B) the user fee created pursuant to section 17b-320
86 is not in effect. For the fiscal year ending June 30, 2007, rates in effect
87 for the period ending June 30, 2006, shall remain in effect until
88 September 30, 2006, except any facility that would have been issued a
89 lower rate effective July 1, 2006, than for the fiscal year ending June 30,

90 2006, due to interim rate status or agreement with the department,
91 shall be issued such lower rate effective July 1, 2006. Effective October
92 1, 2006, no facility shall receive a rate that is more than four per cent
93 greater than the rate in effect for the facility on September 30, 2006,
94 except for any facility that would have been issued a lower rate
95 effective October 1, 2006, due to interim rate status or agreement with
96 the department, shall be issued such lower rate effective October 1,
97 2006. For the fiscal years ending June 30, 2010, and June 30, 2011, rates
98 in effect for the period ending June 30, 2009, shall remain in effect until
99 June 30, 2011, except any facility that would have been issued a lower
100 rate for the fiscal year ending June 30, 2010, or the fiscal year ending
101 June 30, 2011, due to interim rate status or agreement with the
102 department, shall be issued such lower rate, except (i) any facility that
103 would have been issued a lower rate for the fiscal year ending June 30,
104 2010, or the fiscal year ending June 30, 2011, due to interim rate status
105 or agreement with the Commissioner of Social Services shall be issued
106 such lower rate; and (ii) the commissioner may increase a facility's rate
107 for reasonable costs associated with such facility's compliance with the
108 provisions of section 19a-495a concerning the administration of
109 medication by unlicensed personnel. For the fiscal year ending June 30,
110 2012, rates in effect for the period ending June 30, 2011, shall remain in
111 effect until June 30, 2012, except that (I) any facility that would have
112 been issued a lower rate for the fiscal year ending June 30, 2012, due to
113 interim rate status or agreement with the Commissioner of Social
114 Services shall be issued such lower rate; and (II) the commissioner may
115 increase a facility's rate for reasonable costs associated with such
116 facility's compliance with the provisions of section 19a-495a
117 concerning the administration of medication by unlicensed personnel.
118 For the fiscal year ending June 30, 2013, the Commissioner of Social
119 Services may, within available appropriations, provide a rate increase
120 to a residential care home. Any facility that would have been issued a
121 lower rate for the fiscal year ending June 30, 2013, due to interim rate
122 status or agreement with the Commissioner of Social Services shall be
123 issued such lower rate. For the fiscal years ending June 30, 2012, and
124 June 30, 2013, the Commissioner of Social Services may provide fair

125 rent increases to any facility that has undergone a material change in
126 circumstances related to fair rent and has an approved certificate of
127 need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. For the
128 fiscal years ending June 30, 2014, and June 30, 2015, for those facilities
129 that have a calculated rate greater than the rate in effect for the fiscal
130 year ending June 30, 2013, the commissioner may increase facility rates
131 based upon available appropriations up to a stop gain as determined
132 by the commissioner. No facility shall be issued a rate that is lower
133 than the rate in effect on June 30, 2013. Any facility that would have
134 been issued a lower rate for the fiscal year ending June 30, 2014, or the
135 fiscal year ending June 30, 2015, due to interim rate status or
136 agreement with the commissioner, shall be issued such lower rate. For
137 the fiscal year ending June 30, 2015, and each succeeding fiscal year
138 thereafter, costs of less than ten thousand dollars that are incurred by a
139 facility and are associated with any land, building or nonmovable
140 equipment repair or improvement that are reported in the cost year
141 used to establish the facility's rate shall not be capitalized for a period
142 of more than five years for rate-setting purposes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2014	17b-340(h)(1)

HS *Joint Favorable Subst. C/R* APP