OLR Bill Analysis

sHB 5441

AN ACT CONCERNING DIRECT PAYMENT OF RESIDENTIAL CARE FACILITIES.

SUMMARY:

This bill allows the Department of Social Services (DSS) to pay Temporary Family Assistance (TFA) and State Supplement Program (SSP) benefits directly to a licensed residential care home or a boarding or other "rated housing facility" through a per diem or monthly rate. Current law generally requires DSS to pay benefits directly to SSP and TFA participants.

The bill extends certain regulations that apply to licensed residential care homes to rated housing facilities. These regulations concern SSP payments and the safeguarding of residents' personal funds. The bill also extends provisions concerning retroactive payments and debits that already apply to residential care homes to rated housing facilities. It directs DSS to adopt regulations concerning payments to these facilities for residents and makes conforming and technical changes.

The bill allows DSS, at its discretion, to withhold any retroactive rate increase from a licensed residential care home that fails, within 30 days of DSS' notification, to submit the annual cost report DSS uses to establish rates. The bill specifies that reports must be complete and accurate.

Finally, the bill directs DSS to give rate increases, within available appropriations, for any capital improvement a residential care home makes for the health and safety of its residents. This provision is effective July 1, 2014.

EFFECTIVE DATE: Upon passage, unless otherwise noted.

DIRECT PAYMENT

Facilities Affected

The provision allowing direct payment of SSP and TFA benefits applies to rated housing facilities and licensed residential care homes. Under the bill, "rated housing facilities" are (1) boarding facilities or homes licensed by the departments of developmental services (DDS), mental health and addiction services (DMHAS), or children and families (DCF) and (2) New Horizons, Inc. (a state-subsidized, independent living facility for people with severe physical disabilities located in Farmington). Current law allows DSS to make SSP and TFA payments to those furnishing medical care and other services to a beneficiary; the bill explicitly allows DSS to make SSP or TFA payments to these facilities.

The bill directs DSS to adopt regulations establishing methods for paying TFA and SSP benefits to rated housing facilities and licensed residential care homes. It also extends regulations concerning the safeguarding of residents' personal funds at licensed residential care homes to rated housing facilities.

In some cases, a resident may qualify for SSP or TFA benefits but still owe some portion of their income to the facility (this amount is called "applied income"). In these cases, the bill directs DSS to pay its rate minus any applied income owed by the resident.

Temporary Absences

The bill directs DSS, when adopting regulations regarding direct payment to facilities, to do so without regard to periods when the resident is absent, provided the resident can reasonably be expected to return to the facility before the end of the month following the month in which the resident left the facility. This allows DSS to pay a resident's TFA or SSP benefits directly to a facility when the resident is absent from the facility, as long as the absence is within this time constraint.

Rate Adjustments and Eligibility

State Supplement benefits are based on a person's living arrangement and income. DSS essentially calculates what it considers to be the person's monthly needs (which includes a personal needs allowance) and subtracts it from his or her income (minus disregards). The difference is the amount of the State Supplement benefit. Generally, those who DSS determines have an income greater than or equal to their needs receive no benefit. If a facility submits cost reports to DSS that result in a retroactive rate adjustment, it is possible that a resident who was not initially eligible for any State Supplement benefit would become eligible, as their monthly needs would increase by the amount of the rate adjustment. The bill directs DSS to determine the starting date of eligibility for residents in this situation to be either the date the resident was admitted to the facility or 90 days before DSS received the application, whichever is later.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute
Yea 18 Nay 0 (03/18/2014)