



Testimony to the Human Services Committee

Presented by Mag Morelli, President of LeadingAge Connecticut

March 11, 2014

Regarding

- **SB 406, An Act Concerning Certificates of Need for Nursing Homes**
- **SB 410, An Act Concerning Administrative Hearings Conducted by the Department of Social Services**
- **HB 5445, An Act Concerning Medicaid Coverage of Telemonitoring Services**
- **SB 325, An Act Concerning Long-Term Care**
- **SB 327, An Act Concerning Nursing Homes**
- **SB 326, An Act Concerning Federal Medicaid Waivers**

Good afternoon Senator Slossberg, Representative Abercrombie, and members of the Human Services Committee. My name is Mag Morelli and I am the President of LeadingAge Connecticut, a statewide membership organization representing over 130 mission-driven and not-for-profit provider organizations serving older adults across the continuum of long term care, services and supports and including senior housing. On behalf of LeadingAge Connecticut, I would like to testify on several of the bills that are before you today and offer the Committee our assistance as you consider these various issues.

**SB 406, An Act Concerning Certificates of Need for Nursing Homes**

This bill presents a complete revision to the current certificate of need (CON) statutes that pertain to nursing homes and continuing care retirement communities (CCRCs). While LeadingAge Connecticut agrees that it makes sense to update and clarify the CON statutes and supports the Department of Social Services' effort to streamline and modernize the CON statutes, we cannot support this bill as it is presented.

We do have a few specific concerns about the bill that we would like to raise today. First, it is unclear what is intended by the reference in Section 1(b) to a pilot competitive procurement process of up to 35 beds. If this provision is intended to address areas of bed need in the state, then a competitive procurement process of 35 beds may be too simplistic a solution. This is a complex issue with multiple potential solutions.

Second, we understand that the bill simplifies the CON moratorium exception for beds added to a continuing care retirement community (CCRC) and makes other changes to the CCRC statutes. We do have questions, however, about Section 12, which imposes newly modified restrictions on the admission of non-CCRC residents into the CCRC-based nursing home. This section appears to apply to all CCRCs but does not take into account the fact that many established CCRCs have nursing homes

that have admitted outside residents without any restrictions for years. LeadingAge Connecticut is concerned about this provision and the other provisions in this bill related to CCRCs since we count among our members all of the not-for-profit CCRCs in this state.

This bill raises many questions and opens many opportunities for thoughtful discussion on issues that will affect the future of the nursing home field. We would be happy to work with the Department of Social Services on developing language that meets the goals of simplification and, at the same time, creates workable and relevant requirements.

We would like to reiterate our long standing position that the state's regulatory and reimbursement systems must allow for the nursing home modernization that consumers are demanding.

To encourage providers of the long term care continuum to adjust, modernize and diversify their models of care, we propose that the state go beyond the rightsizing grant program and create a collaborative and efficient regulatory and reimbursement environment for all nursing home providers. An environment that is adaptive and receptive to individual providers forward thinking ideas and planning will encourage rightsizing initiatives beyond the state funded grant program. For providers who are seeking to make innovative changes that are in line with our state's strategic initiatives, the state must work to streamline and coordinate all regulatory processes and adapt to a more integrated system of care delivery.

We cannot afford to continue to ignore the nursing home level of care that is and will be needed in the future and therefore the call for modernization of the state's nursing homes is crucial. We need to actively plan and build a model and infrastructure of nursing home care that makes sense for the future needs and demands of our long term care system moving forward. Modernization efforts will allow nursing homes to create the modern-day systems and services that are desired by consumers and which are required in the new system of health care reform. Greenhouse models, culture change modifications, and other capital improvements should be allowable within the reimbursement and the regulatory process, including the certificate of need process.

**SB 410, An Act Concerning Administrative Hearings Conducted by the Department of Social Services**  
LeadingAge Connecticut objects to Section 3 of this bill which proposes changes to 17b-238 governing provider appeals (lines 215-216). The current law permits appeals of "any decision by the Commissioners." The proposed language is more limiting, authorizing only appeals of "a *payment rate* issued by the Commissioner."

There are many changes underway regarding the method that DSS is and will be paying providers. These new reimbursement systems may include acuity ratings, performance standards and other means of calculating reimbursement values. Our concern is that limiting the language in this statute to just the "payment rate" issued will take away the opportunity for a class of provider to challenge decisions regarding new reimbursement systems and/or methodologies as well as an individual provider's right to challenge decisions regarding outcome measures, supporting documentation or other claims issues not specific to the payment rate.

Nursing home providers are particularly concerned because they are currently carved out of the audit statute for appeals rights because their appeals rights are found in this specific rate statute that DSS is now proposing to limit.

### **HB 5445, An Act Concerning Medicaid Coverage of Telemonitoring Services**

LeadingAge Connecticut supports this proposal to extend Medicaid coverage to a broader menu of home telemonitoring services. The development of policy at the state level to advance the use of appropriate aging-services technologies can transform the aging experience and enhance care and services for older adults. Safety technologies, health and wellness technologies, social connectedness technologies and electronic documentation technologies are all important aspects of aging services technologies.

We are entering a very important time in aging services reimbursement in the Medicaid program. Our state is currently developing a demonstration program for the Medicare and Medicaid dually eligible population. This program will be focused on strengthening the care management services for these clients and it would be strongly enhanced by the use of the home telemonitoring services outlined in this bill. In addition, the state will be applying in the next year for a renewal of the home care waiver program and this might be the opportune time to incorporate these expanded telemonitoring services into that program.

LeadingAge Connecticut believes that technology will transform the aging experience and that telemedicine will play a crucial role in the future of aging services. While this is promising, we do remain cautious regarding the reimbursement for telemedicine and believe that precautions must be in place to ensure a standard of care in telemedicine that is the same as that required by state statute and regulation of all providers.

For the Committee's information, the following is a link to the *LeadingAge Center for Aging Services Technologies (CAST) Analysis of State Payments for Aging Services Technology*:

[http://www.leadingage.org/uploadedFiles/Content/About/CAST/CAST\\_State\\_Paymen\\_%20Analysis.pdf](http://www.leadingage.org/uploadedFiles/Content/About/CAST/CAST_State_Paymen_%20Analysis.pdf)

### **SB 325, An Act Concerning Long-Term Care**

Connecticut has undertaken a dramatic systems change in long term care. This change is being implemented through several Medicaid initiatives, including a strategic rebalancing plan that will allow more people the opportunity to receive services and supports in community based settings.

Connecticut's *Strategic Rebalancing Plan* was released on January 29, 2013 and is the result of a multi-month process initiated by the Governor and the General Assembly. The process included a collaborative effort of many state departments, the federal government, long-term care providers, consumers and other stakeholders. The initial plan is for the years 2013-15 with an overall goal of addressing the demand for Medicaid-funded long term care through 2025. The state anticipates that the plan will be updated annually. [Link to view the 2013-2015 Strategic Rebalancing Plan](#)

In addition to the *Strategic Rebalancing Plan*, the state engaged a consultant to develop "supply and demand" projections of long term care needs on a town by town basis. This data was compiled and has been circulated to assist providers, towns, and others in their own strategic planning. [Click here to view the Strategic Rebalancing Plan's projections](#) of long-term services and supports needs for Connecticut, including specific data by municipality, statewide level, and labor market groupings. Please note that the document is over 700 pages and page 28 (appendix A) contains a state map. To facilitate easy navigation to a specific city/town, place your mouse over the town name on the map and click.

LeadingAge Connecticut is supportive of these planning initiatives and would encourage continuous updating of this data, information and planning document. The state has stated that they do plan to conduct continuous updates. Therefore we would encourage any additional efforts to study the state's long term care needs or to modify the planning process be done in a manner that is coordinated with the existing *Strategic Rebalancing Plan* initiative.

We would strongly encourage the inclusion of specific information regarding the savings realized inclusive of the state expenditures on long-term care related to the Money Follows the Person Program as this is a federal demonstration project that is limited to five years. We believe that for planning purposes it is important to know the overall level of spending that will be required once the federal funding is removed.

#### **SB 327, An Act Concerning Nursing Homes**

This proposed bill calls for a new study of nursing homes and again, but we would encourage the state to conduct this additional research as a coordinated effort within the existing rebalancing strategic planning process.

The *Strategic Rebalancing Plan* that was released on January 29, 2013 includes extensive data on the current and future demand for Medicaid funded long term care nursing home beds. We would encourage the further development of this data analysis, as is proposed in this bill, to enhance our understanding of the *type* of nursing home services that will be needed in the near future so that providers can actively plan and build a model and infrastructure of nursing home care that makes sense for the future needs and demands of our long term care system and our integrated health care systems moving forward.

In addition, the *Strategic Rebalancing Plan* calls for the use of resources and grants to assist nursing homes with repurposing and/or downsizing. We support expanding the use of these funds to allow for their use in *modernizing* needed nursing home infrastructure so that we can create a modern-day nursing home environment that will meet consumer demand and market need.

#### **SB 326, An Act Concerning Federal Medicaid Waivers**

LeadingAge Connecticut would be supportive of this initiative. We have long supported the idea of commencing a comprehensive review of our various Medicaid waiver pilot programs, such as the assisted living pilot program, to evaluate their success and determine whether they should become a permanent part of the state Medicaid plan.

Thank you for this opportunity to testify and I would be happy to answer any questions.

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*LeadingAge Connecticut is a membership organization representing over 130 mission-driven and not-for-profit provider organizations serving older adults across the continuum of care including nursing homes, residential care homes, housing for the elderly, continuing care retirement communities, adult day centers, home care and assisted living agencies. By continuing a tradition of mission-driven, consumer-centered management and competent, hands-on care, not-for-profits set the standard in the continuum of housing, care and services for the most vulnerable aging adults.*