

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-55—sHB 5051

Human Services Committee

Judiciary Committee

AN ACT IMPROVING TRANSPARENCY OF NURSING HOME OPERATIONS

SUMMARY: By law, nursing homes must submit cost reports annually to the Department of Social Services (DSS), which the department uses to establish per diem rates for caring for their Medicaid-eligible residents. This act expands the information that for-profit chronic and convalescent nursing homes must include about related parties in these reports. It also prohibits anyone from bringing a legal action against, or holding liable, the state, DSS, or any state official or agent for failing to take an action based on information that must be submitted to DSS in the cost reports.

The act makes changes affecting the Nursing Home Financial Advisory Committee. Generally, it changes the committee's membership, sets a date by which it must convene, broadens the scope of its duties, and delays the deadline for its next quarterly meeting with the chairpersons and ranking members of certain legislative committees.

The act also makes technical changes.

EFFECTIVE DATE: Upon passage for the advisory committee provisions and July 1, 2014 for the cost report provisions.

COST REPORTS

State law requires nursing homes to submit cost reports to DSS annually by December 31. These reports include an accounting by the homes of any related-party transactions that occur during the reporting period. The act requires for-profit chronic and convalescent nursing homes to include with their cost reports the most recent finalized annual profit and loss statement from any related party that receives \$50,000 or more per year from the home for providing it with goods, fees, and services.

Under the act, "related party" includes any company related to the nursing home through a family association, common ownership, control, or business association with any of the home's owners, operators, or officials. "Family association" means relationship by birth, marriage, or domestic partnership.

NURSING HOME FINANCIAL ADVISORY COMMITTEE

Membership

The act removes from the committee the (1) president of LeadingAge

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Connecticut, Inc. or the president's designee and (2) executive director of the Connecticut Association of Health Care Facilities or the executive director's designee. It adds to the committee the long-term care ombudsman and directs the governor to appoint a representative of (1) nonprofit nursing homes and (2) for-profit nursing homes. The act also allows the labor commissioner to appoint one nonvoting member.

By law, the commissioners of public health and social services, or their designees, are the committee chairpersons. The Office of Policy and Management secretary and the Connecticut Health and Education Facilities Authority executive director, or their designees, are also members.

Duties and Requirements

Prior law required the committee, after receiving a report on nursing homes' financial solvency and quality of care, to recommend to DSS and the Department of Public Health (DPH) appropriate action for improving the financial condition of any nursing home that was in financial distress. The act instead requires the committee to assess the overall infrastructure and projected needs of nursing homes operating in the state by evaluating any information and data available, including the (1) quality of care, (2) acuity, (3) census, and (4) staffing levels. The committee must recommend to DSS and DPH appropriate action consistent with the goals, strategies, and long-term care needs in DSS' strategic plan to rebalance Medicaid long-term care supports and services.

Meetings

Since 2010, the law has required the advisory committee to meet at least quarterly but, in practice, it has not done so. The act therefore requires it to convene by August 1, 2014.

The act delays, from July 1, 2014 until October 1, 2014, the next required quarterly meeting between the advisory committee and the chairpersons and ranking members of the Appropriations, Human Services, and Public Health committees. By law, the committee must meet with these legislators to discuss its activities concerning nursing homes' financial solvency and quality of care.

OLR Tracking: MF:KS:JKL:am