

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-164—sHB 5441
Human Services Committee

AN ACT CONCERNING DIRECT PAYMENT OF RESIDENTIAL CARE FACILITIES

SUMMARY: This act 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 certain types of “rated housing facilities” through a per diem or monthly rate. Prior law generally required DSS to pay benefits directly to SSP and TFA participants.

The act 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 act 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 act gives DSS discretion to withhold any retroactive rate increase from a licensed residential care home that fails, within 30 days of DSS’ notification, to submit a complete and accurate annual cost report. DSS uses these reports to establish payment rates for facilities that provide care to Medicaid recipients. For any of the facilities required to submit this report, the law allows DSS to reduce the payment rate of those that fail to submit the report by up to 10%. The act expands this provision to include failure to file complete and accurate reports.

Finally, beginning in FY 14, the act 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 that is approved by DSS.

EFFECTIVE DATE: Upon passage, except the provision on rate increases for capital improvements is effective July 1, 2014.

DIRECT PAYMENT

Facilities Affected

The act allows DSS to directly pay SSP and TFA benefits to rated housing facilities and licensed residential care homes. Under the act, “rated housing facilities” are (1) boarding facilities or homes licensed by the departments of developmental services, mental health and addiction services, or children and families and (2) New Horizons, Inc. (a state-subsidized, independent living facility for people with severe physical disabilities located in Farmington). By law, DSS may make SSP and TFA payments to those furnishing medical care and other services to a beneficiary.

OLR PUBLIC ACT SUMMARY

The act directs DSS to adopt regulations establishing methods for paying 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 benefits but still owe some portion of their income to the facility. (This amount is called "applied income.") In these cases, the act directs DSS to pay the facility its monthly or per diem rate minus any applied income owed by the resident.

Temporary Absences

The act requires 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 SSP benefits directly to a facility when the resident is absent from the facility within this time period.

Rate Adjustments and Eligibility

SSP 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 include a personal needs allowance) and subtracts it from his or her income (minus disregards). The difference is the amount of the SSP 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 SSP benefit would become eligible, as his or her monthly needs would increase by the amount of the rate adjustment. The act 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.

OLR Tracking: MF:CR:VR:ro