



February 5, 2015

*Written testimony of Patrick McDonnell, Nursing Home Administrator, Silver Springs Care Center  
Concerning*

**\*Proposed H.B. No. 5586 AN ACT INCREASING NURSING FACILITY RATES.**  
<http://www.ct.gov/2015/TOB/H/2015HB-05586-R00-HB.htm>

**\*Proposed H.B. No. 5812 AN ACT CONCERNING A COST OF LIVING INCREASE FOR  
NURSING FACILITIES.** <http://www.ct.gov/2015/TOB/H/2015HB-05812-R00-HB.htm>

**\*Proposed S.B. No. 231 AN ACT CONCERNING COST-OF-LIVING INCREASES FOR  
NURSING HOMES.** <http://www.ct.gov/2015/TOB/S/2015SB-00231-R00-SB.htm>

Good evening Senator Moore, Representative Abercrombie and to the members of the Human Services Committee. My name is Patrick McDonnell. I am the Administrator at Silver Springs Care Center in Meriden, Connecticut. Silver Springs Care Center is a longstanding provider of nursing care in the community with 159 licensed beds and 175 employees. Silver Springs is an American Health Care Association quality awards winner and has specialized programs in Dementia Care and care for frail US Veterans. My facility is managed by iCare Health Management, LLC, a Connecticut based company which was established in 2001. iCare has 10 facilities exclusively in Connecticut.

First I want to publicly thank the state legislators who introduced these badly needed bills---House Republican Leader Klarides, and Representatives Perillo and Gentile, and State Senator Crisco. And thank you also to the Human Services Committee for including these bills at this public hearing.

The bills all get to the same issue. Medicaid Nursing facility rates have been basically flat since 2007, but costs have been dramatically rising, especially labor costs. The majority of our staff is represented by New England Health Care Employees Union District 1199/SEIU. The bills recognize the failure of the current

reimbursement system recognize unavoidable cost increases and to provide for increasing rates, by an annual cost of living adjustment or through a formula that increases rates based on the nursing facilities costs.

The message from the operator's point of view is simple----Our nursing facility needs your help. We just can't continue on a path where no help is provided without hurting our employees and jeopardizing quality.

Here are some key examples of what we are up against in our nursing facility while the rates have been stagnant:

- Labor costs from our current collective bargaining agreement have increased by approximately \$325,000 annually.
- Our Utility Costs have increased by \$38,000 per annum.
- Impositions by the Affordable Care Act have increased costs by \$51,000 per annum

These costs alone have cost \$7.35 for every day a patient is in my facility. In order to cover these highlighted additional current costs my facility would need a Medicaid rate increase equal to 3%. 96% of our payments at Silver Springs are dependent on the Medicaid rates. Our contract with 1199 expires in March 2015. I do not expect that my valued employees expect to go without a raise. The 3% excludes any raise I would give my employees.

I am asking you to advance these bills and provide our nursing facilities the help they need to care for our residents.

Thank you and I would be happy to answer any questions you may have.



Patrick McDonnell, NHA

2/4/15