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February 10, 2015

Written testimony of Russell Schwartz, Director of Operations for Avon Health Center and West Hartford Health & Rehabilitation Center Concerning:

H.B. No. 6674 (RAISED) AN ACT PROVIDING FINANCIAL RELIEF TO NURSING HOMES FOR UNCOMPENSATED CARE.

Good afternoon Senator Moore, Representative Abercrombie and to the members of the Human Services Committee. My name is Russell Schwartz. I am the Director of Operations for Avon Health Center and West Hartford Health & Rehabilitation Center. Avon & West Hartford are longstanding providers of nursing care in their communities. My family has operated these facilities for more than 40 years. Both facilities have a combined 280 beds, and employ over 400 staff members. Our facilities are Medicare 5-star rated, and have won various quality awards, including the bronze and silver awards from the American Health Care Association.

I am asking the Human Services Committee to support H.B. No. 6674 (RAISED) AN ACT PROVIDING FINANCIAL RELIEF TO NURSING HOMES FOR UNCOMPENSATED CARE. This bill is being advanced by the Connecticut Association of Health Care Facilities (CAHCF), of which our organization is a member.

This legislation is badly needed to address the negative consequences for skilled nursing facilities when there are excessive delays in the long term care Medicaid eligibility determination process. These delays can extend out months or even years, creating excessive cash flow hardships on facilities. It is especially unfair that skilled nursing facilities are required to pay a $21.00 per day provider tax, plus penalties, interest and fees if not paid timely, for care provided to Medicaid applicants and recipients, when no payment is being received from Medicaid. This bill offers a reasonable remedy to this problem by delaying the skilled nursing facility's obligation to pay the provider tax for residents pending Medicaid until the nursing facility has actually been paid by Medicaid.

A typical 120 bed nursing facility that is 70 % Medicaid, pays more than $160,000 per quarter for the provider tax, and is assessed penalties and interest if it is unable to pay the tax on time. Facilities are forced to decide on paying this obligation, or choosing to meet their weekly payroll and essential operating costs. Since our Medicaid rates are calculated to include the cost of the provider tax, it is unfair to require facilities to pay the tax before being reimbursed for the care we have provided. While the bill is not a full remedy to the harm that is caused when cases are delayed for excessive periods of time, it is a very fair compromise solution.

Thank you for your support.