Testimony of Gary Faraci, Maple Leaf Manor
in opposition to
Section 14 of H.B. No. 6846 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS.
Human Services Committee- February 26, 2015

Senator Moore, Representative Abercrombie and Members of the Human Services Committee, my name is Gary Faraci and I am the owner of Maple Leaf Manor here in Hartford. I am also a board member of the Ct Association of Residential Care Homes. I am here today to testify in **opposition to Section 14 of HB6846** which would prohibit residential care homes from receiving fair rent and cap residential care home rates.

When considering this proposal it is important to know that residential care homes have not been issued cost-based rates every year. In fact, rates were frozen for three years between July 1, 2009 and June 30, 2012 and have frequently been subject to annual rate increase limits. Therefore, state payment rates have not provided RCHs with full fair rent for fixed assets (or other allowable costs).

Capping of fair rent provides a disincentive for homes to invest in their facilities. For instance I recently upgraded my heating boiler from heating oil to natural gas, I have seen 60% savings in my heating bill already this winter current to today's date. This project was very expensive and required personal funds. An additional expense was removing of asbestos which cost the facility $8,200. If this proposal goes through I will not be reimbursed this money. I cannot amortize it if fair rent is abolished despite this project likely saving the facility and state thousands of dollars per year.

I have a very dependable unit now heating the building, my old boiler was grossly inefficient, it was installed in 1958, upgrading was paramount to this facility, without an increase in daily rate it is a hardship for me. Fair rent abolishment would make this situation catastrophic. I have no more money to lend this business.

Residential care homes are a great value to the state that often goes overlooked. We provide shelter, food, oversight and most of all a community for some of the state's most vulnerable resident. Many of the residents live in our facility for over a decade without issue despite having a range of behavioral health issues. Without residential care homes many of these individuals would end up in a medical setting that would cost the state much more.

Please consider removing this section of the bill. We have been operating on capped rates for years now, inflationary controls, cost of living, cost of operating grows every year and we cannot afford any more cuts in our budget.

Thank you for your time and consideration.

Gary Faraci
Maple Leaf Manor
614 New Britain Avenue
Hartford, CT 06106

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