



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

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Testimony in support of
HB5589 An Act Concerning Acuity-Based System for Medicaid Reimbursement
Human Services Committee
March 8, 2016

Good day Chairwoman Abercrombie, Chairwoman Moore, Ranking Members Wood and Markley, and distinguished members of the Committee. I want to thank you for raising **HB5589 An Act Concerning Acuity-Based System for Medicaid Reimbursement**, and I offer my full support.

Last year the committee saw the need to address the manner in which Connecticut reimburses its nursing homes by passing **PA 15-5** which allows the commissioner to implement an acuity-based methodology for reimbursing Medicaid nursing home services. I support the language of the bill that outlines the scope of work needed to implement an acuity-based system of reimbursement. I also support an annual report to the Committee(s) of cognizance.

As a result of no re-basing since 2007 (although statute requires one at least every four years) and legislative interference to meet budgetary obligations, our nursing homes are grossly underfunded for the medical care they provide to Medicaid residents. A large portion of nursing home payments comes from Medicaid (70.4%). Unfortunately, Medicaid rates fall short of covering the actual costs of the care rendered in nursing homes. As residents with low acuity needs are transitioned out of nursing homes to home care settings, nursing homes are left with higher acuity-based residents at a reimbursement that does not properly adjust for the shift in the increased acuity. It is important that we ensure that our nursing homes are getting paid a rate commensurate to the services required by its residents.

An effective acuity-based system can be used by facilities to determine appropriate staffing and estimate direct nursing costs. Adoption of acuity-based (case-mixed) reimbursements will increase access to care for higher acuity Medicaid residents and won't favor any one group over another. As our population ages we will see a larger need for home and nursing care, we have the opportunity to ensure that both remain an option.

I look forward to working with the committee to change our current system to a more appropriate and equitable one.

Respectfully,

Pam Staneski
State Representative Milford/Orange