



February 11, 2016

Written testimony of Jaime Faucher, Administrator, Touchpoints at Bloomfield. Concerning the Governor's Recommended FY 2016 and FY 2017 Proposed Budget

Good evening Senator Bye, Representative Walker and to the members of the Appropriations Committee. My name is Jaime Faucher. I am the Administrator at Touchpoints at Bloomfield in Bloomfield, Connecticut, and am here with George Kingston, the Administrator of Trinity Hill Care Center in Hartford and Brian Nyberg, the Administrator of Touchpoints at Chestnut in East Windsor. Touchpoints at Bloomfield is a longstanding provider of nursing care in the Bloomfield/Windsor communities. We are a 150-bed skilled facility that has cared for residents and patients of the area for nearly 40 years. We currently employ over 175 dedicated and skilled workers, many of whom have stayed with our facility for 20 or even 30 years of service. Our facility has many distinctions, including a Quality Award from the American Health Care Association, a current 5 Star rating for Quality Measures by the Center for Medicaid and Medicare Services, and a broad representation of service offerings for the community including formal Heart Failure, Pulmonary, Behavioral Health and even Substance Abuse services.

A recurring theme this evening will no doubt be the level of care our employees provide day in and day out, not only my facility, but commonly throughout our State. I am proud of this care. However, type of care and services has changed drastically over the years – with of course acuity rapidly increasing. While I give the credit to meeting these changing needs to our employees, the reimbursement model in Connecticut has lagged behind. It is not uncommon for



us to provide care for residents whose needs significantly surpass the reimbursement rates. This may include Negative Pressure Wound Therapy at \$85 per day, treatment of an infection with IV antibiotics, support surfaces such as beds and mattresses to protect skin integrity, on top of rehabilitation therapy – with most of these not included in the daily Medicaid reimbursement rates. Our staff must be agile and resilient to meet the ever-changing needs of our resident population. The same type of agility and understanding to this ever-changing resident also needs to be found in our reimbursement system.

As you know, Medicaid Nursing facility rates have been essentially 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. While the legislature approved a wage enhancement funding program in 2015, this funding was earmarked exclusively pay for new wage and benefit costs only. In other words providers were required to spend new money on wages and benefits (which is a good thing) to get partial reimbursement of new costs from the State. So in effect nursing facilities remain flat funded since 2007 to cover old wage costs and other operating costs. The governor's proposed budget fails to recognize the current reimbursement system's failure to properly reimburse cost.

At Touchpoints at Bloomfield, and I know the same is shared by my peers, we continuously evaluate ourselves with an emphasis on improving the type of care and services we offer. However, this constant focus on improvement and quality, given the lack of additional funding over so many successive years is unsustainable. The Connecticut nursing home industry as a whole, and of course my facility in particular provides efficient and effective care. For instance, a quick calculation of our Medicaid rate converted to hourly care, puts our care close to \$10 an hour per resident. In making this care effective and efficient and of course delivered with a high level of quality, we have already found and realized the opportunities to



maintain cost. Our expense management abilities are impressive and touch every area of the operations from office supplies, to overtime management to energy consumption. 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 without being reimbursed by the State. 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 added \$7.80 per patient, per day for those in my facility. Our total shortfall of State Reimbursement to actual cost is nearly \$10.00 for every day a patient is being cared for or \$511,000 per year at my facility. 91% of our payments at my facility are dependent on the Medicaid rates. Additionally, the wage portion of our contract with 1199 expires in April 2016. Intervention by the legislature will be needed to solve this contract issue.

While a budget cut is not proposed, it is important for this Committee to know the impact a cut would have, and to understand the position of our facility, not unlike many others, who are dependent on the Medicaid system – a system that is not reflective of reasonable, actual costs and reflective of today's "nursing home resident".

Please help us continue to deliver high quality care.

On behalf of everyone at Touchpoints at Bloomfield, and my colleagues, thank you and I would be happy to answer any questions you may have.