



House of Representatives

General Assembly

File No. 108

February Session, 2016

House Bill No. 5284

House of Representatives, March 22, 2016

The Committee on Aging reported through REP. SERRA of the 33rd Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT INCREASING FUNDING FOR ELDERLY NUTRITION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-242 of the 2016 supplement
2 to the general statutes is repealed and the following is substituted in
3 lieu thereof (*Effective from passage*):

4 (a) The Department of Social Services shall determine the rates to be
5 paid to home health care agencies and homemaker-home health aide
6 agencies by the state or any town in the state for persons aided or
7 cared for by the state or any such town. [For the period from February
8 1, 1991, to January 31, 1992, inclusive, payment for each service to the
9 state shall be based upon the rate for such service as determined by the
10 Office of Health Care Access, except that for those providers whose
11 Medicaid rates for the year ending January 31, 1991, exceed the median
12 rate, no increase shall be allowed. For those providers whose rates for
13 the year ending January 31, 1991, are below the median rate, increases
14 shall not exceed the lower of the prior rate increased by the most
15 recent annual increase in the consumer price index for urban

16 consumers or the median rate. In no case shall any such rate exceed the
17 eightieth percentile of rates in effect January 31, 1991, nor shall any rate
18 exceed the charge to the general public for similar services. Rates
19 effective February 1, 1992, shall be based upon rates as determined by
20 the Office of Health Care Access, except that increases shall not exceed
21 the prior year's rate increased by the most recent annual increase in the
22 consumer price index for urban consumers and rates effective
23 February 1, 1992, shall remain in effect through June 30, 1993. Rates
24 effective July 1, 1993, shall be based upon rates as determined by the
25 Office of Health Care Access except if the Medicaid rates for any
26 service for the period ending June 30, 1993, exceed the median rate for
27 such service, the increase effective July 1, 1993, shall not exceed one
28 per cent. If the Medicaid rate for any service for the period ending June
29 30, 1993, is below the median rate, the increase effective July 1, 1993,
30 shall not exceed the lower of the prior rate increased by one and one-
31 half times the most recent annual increase in the consumer price index
32 for urban consumers or the median rate plus one per cent.] The
33 Commissioner of Social Services shall establish a fee schedule for home
34 health services to be effective on and after July 1, 1994. The
35 commissioner may annually modify such fee schedule if such
36 modification is needed to ensure that the conversion to an
37 administrative services organization is cost neutral to home health care
38 agencies and homemaker-home health aide agencies in the aggregate
39 and ensures patient access. Utilization may be a factor in determining
40 cost neutrality. The commissioner shall increase the fee schedule for
41 home health services provided under the Connecticut home-care
42 program for the elderly established under section 17b-342, effective
43 July 1, 2000, by two per cent over the fee schedule for home health
44 services for the previous year. On and after July 1, 2016, the
45 commissioner shall increase the fee schedule for meals on wheels
46 provided under the Connecticut home-care program for the elderly to
47 reflect reasonable costs of providers and minimize any copayments
48 incurred by participants in the program. Reasonable costs shall be
49 based on the cost of food, food preparation and packaging,
50 transportation, delivery and associated labor and administration costs.

51 The commissioner may increase any fee payable to a home health care
52 agency or homemaker-home health aide agency upon the application
53 of such an agency evidencing extraordinary costs related to (1) serving
54 persons with AIDS; (2) high-risk maternal and child health care; (3)
55 escort services; or (4) extended hour services. In no case shall any rate
56 or fee exceed the charge to the general public for similar services. A
57 home health care agency or homemaker-home health aide agency
58 which, due to any material change in circumstances, is aggrieved by a
59 rate determined pursuant to this subsection may, within ten days of
60 receipt of written notice of such rate from the Commissioner of Social
61 Services, request in writing a hearing on all items of aggrievement. The
62 commissioner shall, upon the receipt of all documentation necessary to
63 evaluate the request, determine whether there has been such a change
64 in circumstances and shall conduct a hearing if appropriate. The
65 Commissioner of Social Services shall adopt regulations, in accordance
66 with chapter 54, to implement the provisions of this subsection. The
67 commissioner may implement policies and procedures to carry out the
68 provisions of this subsection while in the process of adopting
69 regulations, provided notice of intent to adopt the regulations is
70 published [in the Connecticut Law Journal] on the Internet web site of
71 the Department of Social Services and the eRegulations System not
72 later than twenty days after the date of implementing the policies and
73 procedures. Such policies and procedures shall be valid for not longer
74 than nine months.

75 Sec. 2. Section 17b-343 of the general statutes is repealed and the
76 following is substituted in lieu thereof (*Effective from passage*):

77 The Commissioner of Social Services shall establish annually the
78 maximum allowable rate to be paid by agencies for homemaker
79 services, chore person services, companion services, respite care, meals
80 on wheels, adult day care services, case management and assessment
81 services, transportation, mental health counseling and elderly foster
82 care. [, except that the maximum allowable rates in effect July 1, 1990,
83 shall remain in effect during the fiscal years ending June 30, 1992, and
84 June 30, 1993.] The Commissioner of Social Services shall prescribe

85 uniform forms on which agencies providing such services shall report
 86 their costs for such services. Such rates shall be determined on the
 87 basis of a reasonable payment for necessary services rendered. The
 88 maximum allowable rates established by the Commissioner of Social
 89 Services for the Connecticut home-care program for the elderly
 90 established under section 17b-342 shall constitute the rates required
 91 under this section until revised in accordance with this section. The
 92 Commissioner of Social Services shall establish a fee schedule, to be
 93 effective on and after July 1, 1994, for homemaker services, chore
 94 person services, companion services, respite care, meals on wheels,
 95 adult day care services, case management and assessment services,
 96 transportation, mental health counseling and elderly foster care. The
 97 commissioner [may] shall annually increase [any fee in] the fee
 98 schedule based on an increase in the cost of services. The
 99 commissioner shall increase the fee schedule effective July 1, 2000, by
 100 not less than five per cent, for adult day care services. The
 101 commissioner shall increase the fee schedule effective July 1, 2011, by
 102 four dollars per person, per day for adult day care services. On and
 103 after July 1, 2016, the commissioner shall increase the fee schedule for
 104 meals on wheels provided under the Connecticut home-care program
 105 for the elderly to reflect reasonable costs of providers and minimize
 106 any copayments incurred by participants in the program. Reasonable
 107 costs shall be based on the cost of food, food preparation and
 108 packaging, transportation, delivery and associated labor and
 109 administration costs. Nothing contained in this section shall authorize
 110 a payment by the state to any agency for such services in excess of the
 111 amount charged by such agency for such services to the general public.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-242(a)
Sec. 2	<i>from passage</i>	17b-343

AGE *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Social Services, Dept.	GF - Cost	Indeterminate	Indeterminate

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill will result in an indeterminate cost to the Department of Social Services (DSS) as the bill does not specify the value of the fee increase for services provided by the Connecticut Home Care Program for Elders (CHCPE), and the definition for "reasonable cost" is subject to interpretation. The bill requires the Commissioner of DSS to annually increase rates for home-delivered meals for clients of the CHCPE. In addition, the bill requires the Commissioner to annually increase fees for various services outlined in the bill based on the increased cost of those services. There is an average of 16,242 clients per month served by programs who utilize these services. For reference, a 1% increase in the total annual net CHCPE expenditures is approximately \$2.1 million annually.

The current Medicaid daily rate for a single meal is \$4.79 and \$8.76 for two meals. Not all clients served by these programs receive meals.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 5284*****AN ACT INCREASING FUNDING FOR ELDERLY NUTRITION.*****SUMMARY:**

This bill requires, rather than allows, the social services commissioner to annually increase the fees paid to providers for specified services based on cost increases. It applies to fees for homemaker, chore, companionship, respite care, meals on wheels, adult day care, case management and assessment, transportation, mental health counseling, and elderly foster care services.

It also requires the commissioner, on and after July 1, 2016, to increase the fees for meals on wheels provided through the Connecticut Home Care Program for Elders (CHCPE) to reflect reasonable provider costs and minimize participant copayments. Under the bill, reasonable costs must be based on the cost of food, food preparation and packaging, transportation, delivery, and associated labor and administration costs. CHCPE is a Medicaid waiver and state-funded program that provides home- and community-based services for eligible individuals age 65 and older who are at risk for institutionalization.

By law, the commissioner may implement policies and procedures while in the process of adopting regulations about payments to home health care and homemaker-health aide agencies, provided he provides a notice of intent to adopt regulations within 20 days of the policy implementation date. The bill requires the commissioner to publish the notice on the department's website and the Secretary of State's online eRegulations system, instead of the *Connecticut Law Journal*. By law, such policies and procedures are valid for a maximum of nine months.

The bill also removes obsolete provisions regarding rates for home-based services.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Aging Committee

Joint Favorable

Yea 13 Nay 0 (03/08/2016)