



General Assembly

January Session, 2021

**Governor's Bill No. 6446**

LCO No. 3112



Referred to Committee on HUMAN SERVICES

Introduced by:

Request of the Governor Pursuant  
to Joint Rule 9

**AN ACT CONCERNING THE GOVERNOR'S BUDGET  
RECOMMENDATIONS FOR HUMAN SERVICES.**

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

1 Section 1. Subsection (b) of section 17b-104 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
3 *2021*):

4 (b) On July 1, 2007, and annually thereafter, the commissioner shall  
5 increase the payment standards over those of the previous fiscal year  
6 under the temporary family assistance program and the state-  
7 administered general assistance program by the percentage increase, if  
8 any, in the most recent calendar year average in the consumer price  
9 index for urban consumers over the average for the previous calendar  
10 year, provided the annual increase, if any, shall not exceed five per cent,  
11 except that the payment standards for the fiscal years ending June 30,  
12 2010, June 30, 2011, June 30, 2012, June 30, 2013, June 30, 2016, June 30,  
13 2017, June 30, 2018, June 30, 2019, June 30, 2020, [and] June 30, 2021, June  
14 30, 2022, and June 30, 2023, shall not be increased.

15 Sec. 2. Subsection (a) of section 17b-106 of the general statutes is  
16 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
17 *2021*):

18 (a) On July 1, 1989, and annually thereafter, the commissioner shall  
19 increase the adult payment standards over those of the previous fiscal  
20 year for the state supplement to the federal Supplemental Security  
21 Income Program by the percentage increase, if any, in the most recent  
22 calendar year average in the consumer price index for urban consumers  
23 over the average for the previous calendar year, provided the annual  
24 increase, if any, shall not exceed five per cent, except that the adult  
25 payment standards for the fiscal years ending June 30, 1993, June 30,  
26 1994, June 30, 1995, June 30, 1996, June 30, 1997, June 30, 1998, June 30,  
27 1999, June 30, 2000, June 30, 2001, June 30, 2002, June 30, 2003, June 30,  
28 2004, June 30, 2005, June 30, 2006, June 30, 2007, June 30, 2008, June 30,  
29 2009, June 30, 2010, June 30, 2011, June 30, 2012, June 30, 2013, June 30,  
30 2016, June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, [and] June  
31 30, 2021, June 30, 2022, and June 30, 2023, shall not be increased.  
32 Effective October 1, 1991, the coverage of excess utility costs for  
33 recipients of the state supplement to the federal Supplemental Security  
34 Income Program is eliminated. Notwithstanding the provisions of this  
35 section, the commissioner may increase the personal needs allowance  
36 component of the adult payment standard as necessary to meet federal  
37 maintenance of effort requirements.

38 Sec. 3. Section 17b-256f of the general statutes is repealed and the  
39 following is substituted in lieu thereof (*Effective August 1, 2022*):

40 The Commissioner of Social Services shall increase income disregards  
41 used to determine eligibility by the Department of Social Services for the  
42 federal Qualified Medicare Beneficiary, the Specified Low-Income  
43 Medicare Beneficiary and the Qualifying Individual programs,  
44 administered in accordance with the provisions of 42 USC 1396d(p), by  
45 such amounts that shall result in persons with income that is (1) less  
46 than two hundred eleven per cent of the federal poverty level qualifying  
47 for the Qualified Medicare Beneficiary program, (2) at or above two

48 hundred eleven per cent of the federal poverty level but less than two  
49 hundred thirty-one per cent of the federal poverty level qualifying for  
50 the Specified Low-Income Medicare Beneficiary program, and (3) at or  
51 above two hundred thirty-one per cent of the federal poverty level but  
52 less than two hundred forty-six per cent of the federal poverty level  
53 qualifying for the Qualifying Individual program. The commissioner  
54 shall [not] apply an asset test for eligibility under the Medicare Savings  
55 Program. Eligible persons shall have countable assets less than or equal  
56 to two times the amount of allowable assets for Medicare Savings  
57 Programs as identified by the Centers for Medicare and Medicaid  
58 Services. The commissioner shall not consider as income Aid and  
59 Attendance pension benefits granted to a veteran, as defined in section  
60 27-103, or the surviving spouse of such veteran. The Commissioner of  
61 Social Services, pursuant to section 17b-10, may implement policies and  
62 procedures to administer the provisions of this section while in the  
63 process of adopting such policies and procedures in regulation form,  
64 provided the commissioner prints notice of the intent to adopt the  
65 regulations on the department's Internet web site and the eRegulations  
66 System not later than twenty days after the date of implementation.  
67 Such policies and procedures shall be valid until the time final  
68 regulations are adopted.

69 Sec. 4. Section 17b-265 of the general statutes is repealed and the  
70 following is substituted in lieu thereof (*Effective July 1, 2021*):

71 (a) In accordance with 42 USC 1396k, the Department of Social  
72 Services shall be subrogated to any right of recovery or indemnification  
73 that an applicant or recipient of medical assistance or any legally liable  
74 relative of such applicant or recipient has against an insurer or other  
75 legally liable third party including, but not limited to, a self-insured  
76 plan, group health plan, as defined in Section 607(1) of the Employee  
77 Retirement Income Security Act of 1974, service benefit plan, managed  
78 care organization, health care center, pharmacy benefit manager, dental  
79 benefit manager, third-party administrator or other party that is, by  
80 statute, contract or agreement, legally responsible for payment of a  
81 claim for a health care item or service, for the cost of all health care items

82 or services furnished to the applicant or recipient, including, but not  
83 limited to, hospitalization, pharmaceutical services, physician services,  
84 nursing services, behavioral health services, long-term care services and  
85 other medical services, not to exceed the amount expended by the  
86 department for such care and treatment of the applicant or recipient. In  
87 the case of such a recipient who is an enrollee in a care management  
88 organization under a Medicaid care management contract with the state  
89 or a legally liable relative of such an enrollee, the department shall be  
90 subrogated to any right of recovery or indemnification which the  
91 enrollee or legally liable relative has against such a private insurer or  
92 other third party for the medical costs incurred by the care management  
93 organization on behalf of an enrollee.

94 (b) An applicant or recipient or legally liable relative, by the act of the  
95 applicant's or recipient's receiving medical assistance, shall be deemed  
96 to have made a subrogation assignment and an assignment of claim for  
97 benefits to the department. The department shall inform an applicant of  
98 such assignments at the time of application. Any entitlements from a  
99 contractual agreement with an applicant or recipient, legally liable  
100 relative or a state or federal program for such medical services, not to  
101 exceed the amount expended by the department, shall be so assigned.  
102 Such entitlements shall be directly reimbursable to the department by  
103 third party payors. The Department of Social Services may assign its  
104 right to subrogation or its entitlement to benefits to a designee or a  
105 health care provider participating in the Medicaid program and  
106 providing services to an applicant or recipient, in order to assist the  
107 provider in obtaining payment for such services. In accordance with  
108 subsection (b) of section 38a-472, a provider that has received an  
109 assignment from the department shall notify the recipient's health  
110 insurer or other legally liable third party including, but not limited to, a  
111 self-insured plan, group health plan, as defined in Section 607(1) of the  
112 Employee Retirement Income Security Act of 1974, service benefit plan,  
113 managed care organization, health care center, pharmacy benefit  
114 manager, dental benefit manager, third-party administrator or other  
115 party that is, by statute, contract or agreement, legally responsible for

116 payment of a claim for a health care item or service, of the assignment  
117 upon rendition of services to the applicant or recipient. Failure to so  
118 notify the health insurer or other legally liable third party shall render  
119 the provider ineligible for payment from the department. The provider  
120 shall notify the department of any request by the applicant or recipient  
121 or legally liable relative or representative of such applicant or recipient  
122 for billing information. This subsection shall not be construed to affect  
123 the right of an applicant or recipient to maintain an independent cause  
124 of action against such third party tortfeasor.

125 (c) Claims for recovery or indemnification submitted by the  
126 department, or the department's designee, shall not be denied solely on  
127 the basis of the date of the submission of the claim, the type or format of  
128 the claim, the lack of prior authorization or the failure to present proper  
129 documentation at the point-of-service that is the basis of the claim, if (1)  
130 the claim is submitted by the state within the three-year period  
131 beginning on the date on which the item or service was furnished; and  
132 (2) any action by the state to enforce its rights with respect to such claim  
133 is commenced within six years of the state's submission of the claim.

134 (d) When a recipient of medical assistance has personal health  
135 insurance in force covering care or other benefits provided under such  
136 program, payment or part-payment of the premium for such insurance  
137 may be made when deemed appropriate by the Commissioner of Social  
138 Services. [Effective January 1, 1992, the] The commissioner shall limit  
139 reimbursement to medical assistance providers for coinsurance and  
140 deductible payments under Title XVIII of the Social Security Act to  
141 assure that the combined Medicare and Medicaid payment to the  
142 provider shall not exceed the maximum allowable under the Medicaid  
143 program fee schedules.

144 (e) No self-insured plan, group health plan, as defined in Section  
145 607(1) of the Employee Retirement Income Security Act of 1974, service  
146 benefit plan, managed care plan, or any plan offered or administered by  
147 a health care center, pharmacy benefit manager, dental benefit manager,  
148 third-party administrator or other party that is, by statute, contract or

149 agreement, legally responsible for payment of a claim for a health care  
150 item or service, shall contain any provision that has the effect of denying  
151 or limiting enrollment benefits or excluding coverage because services  
152 are rendered to an insured or beneficiary who is eligible for or who  
153 received medical assistance under this chapter. No insurer, as defined  
154 in section 38a-497a, shall impose requirements on the state Medicaid  
155 agency, which has been assigned the rights of an individual eligible for  
156 Medicaid and covered for health benefits from an insurer, that differ  
157 from requirements applicable to an agent or assignee of another  
158 individual so covered.

159 (f) The Commissioner of Social Services shall not pay for any services  
160 provided under this chapter if the individual eligible for medical  
161 assistance has coverage for the services under an accident or health  
162 insurance policy.

163 (g) An insurer or other legally liable third party, upon receipt of a  
164 claim submitted by the department or the department's designee, in  
165 accordance with the requirements of subsection (c) of this section, for  
166 payment of a health care item or service covered under a state medical  
167 assistance program administered by the department, shall, not later  
168 than ninety days after receipt of the claim, or not later than ninety days  
169 after the effective date of this section, whichever is later, (1) make  
170 payment on the claim, (2) request information necessary to determine  
171 its legal obligation to pay the claim, or (3) issue a written reason for  
172 denial of the claim. Failure to pay, request information necessary to  
173 determine legal obligation to pay or issue a written reason for denial of  
174 a claim not later than one hundred twenty days after receipt of the claim,  
175 or not later than one hundred twenty days after the effective date of this  
176 section, whichever is later, creates an uncontestable obligation to pay  
177 the claim. The provisions of this subsection shall apply to all claims,  
178 including claims submitted by the department or the department's  
179 designee prior to July 1, 2021.

180 (h) On and after July 1, 2021, an insurer or other legally liable third  
181 party who has reimbursed the department for a health care item or

182 service paid for and covered under a state medical assistance program  
183 administered by the department, shall, upon determining it is not liable  
184 and at risk for cost of the health care item or service, request any refund  
185 from the department not later than twelve months from the date of its  
186 reimbursement to the department.

187 Sec. 5. Section 17b-244 of the general statutes is repealed and the  
188 following is substituted in lieu thereof (*Effective July 1, 2021*):

189 (a) The room and board component of the rates to be paid by the state  
190 to private facilities and facilities operated by regional education service  
191 centers which are licensed to provide residential care pursuant to  
192 section 17a-227, but not certified to participate in the Title XIX Medicaid  
193 program as intermediate care facilities for individuals with intellectual  
194 disabilities, shall be determined annually by the Commissioner of Social  
195 Services, except that rates effective April 30, 1989, shall remain in effect  
196 through October 31, 1989. Any facility with real property other than  
197 land placed in service prior to July 1, 1991, shall, for the fiscal year  
198 ending June 30, 1995, receive a rate of return on real property equal to  
199 the average of the rates of return applied to real property other than land  
200 placed in service for the five years preceding July 1, 1993. For the fiscal  
201 year ending June 30, 1996, and any succeeding fiscal year, the rate of  
202 return on real property for property items shall be revised every five  
203 years. The commissioner shall, upon submission of a request by such  
204 facility, allow actual debt service, comprised of principal and interest,  
205 on the loan or loans in lieu of property costs allowed pursuant to section  
206 17-313b-5 of the regulations of Connecticut state agencies, whether  
207 actual debt service is higher or lower than such allowed property costs,  
208 provided such debt service terms and amounts are reasonable in  
209 relation to the useful life and the base value of the property. In the case  
210 of facilities financed through the Connecticut Housing Finance  
211 Authority, the commissioner shall allow actual debt service, comprised  
212 of principal, interest and a reasonable repair and replacement reserve  
213 on the loan or loans in lieu of property costs allowed pursuant to section  
214 17-313b-5 of the regulations of Connecticut state agencies, whether  
215 actual debt service is higher or lower than such allowed property costs,

216 provided such debt service terms and amounts are determined by the  
217 commissioner at the time the loan is entered into to be reasonable in  
218 relation to the useful life and base value of the property. The  
219 commissioner may allow fees associated with mortgage refinancing  
220 provided such refinancing will result in state reimbursement savings,  
221 after comparing costs over the terms of the existing proposed loans. For  
222 the fiscal year ending June 30, 1992, the inflation factor used to  
223 determine rates shall be one-half of the gross national product  
224 percentage increase for the period between the midpoint of the cost year  
225 through the midpoint of the rate year. For fiscal year ending June 30,  
226 1993, the inflation factor used to determine rates shall be two-thirds of  
227 the gross national product percentage increase from the midpoint of the  
228 cost year to the midpoint of the rate year. For the fiscal years ending  
229 June 30, 1996, and June 30, 1997, no inflation factor shall be applied in  
230 determining rates. The Commissioner of Social Services shall prescribe  
231 uniform forms on which such facilities shall report their costs. Such rates  
232 shall be determined on the basis of a reasonable payment for necessary  
233 services. Any increase in grants, gifts, fund-raising or endowment  
234 income used for the payment of operating costs by a private facility in  
235 the fiscal year ending June 30, 1992, shall be excluded by the  
236 commissioner from the income of the facility in determining the rates to  
237 be paid to the facility for the fiscal year ending June 30, 1993, provided  
238 any operating costs funded by such increase shall not obligate the state  
239 to increase expenditures in subsequent fiscal years. Nothing contained  
240 in this section shall authorize a payment by the state to any such facility  
241 in excess of the charges made by the facility for comparable services to  
242 the general public. The service component of the rates to be paid by the  
243 state to private facilities and facilities operated by regional education  
244 service centers which are licensed to provide residential care pursuant  
245 to section 17a-227, but not certified to participate in the Title XIX  
246 Medicaid programs as intermediate care facilities for individuals with  
247 intellectual disabilities, shall be determined annually by the  
248 Commissioner of Developmental Services in accordance with section  
249 17b-244a. For the fiscal year ending June 30, 2008, no facility shall receive  
250 a rate that is more than two per cent greater than the rate in effect for



251 the facility on June 30, 2007, except any facility that would have been  
252 issued a lower rate effective July 1, 2007, due to interim rate status or  
253 agreement with the department, shall be issued such lower rate effective  
254 July 1, 2007. For the fiscal year ending June 30, 2009, no facility shall  
255 receive a rate that is more than two per cent greater than the rate in effect  
256 for the facility on June 30, 2008, except any facility that would have been  
257 issued a lower rate effective July 1, 2008, due to interim rate status or  
258 agreement with the department, shall be issued such lower rate effective  
259 July 1, 2008. For the fiscal years ending June 30, 2010, and June 30, 2011,  
260 rates in effect for the period ending June 30, 2009, shall remain in effect  
261 until June 30, 2011, except that (1) the rate paid to a facility may be higher  
262 than the rate paid to the facility for the period ending June 30, 2009, if a  
263 capital improvement required by the Commissioner of Developmental  
264 Services for the health or safety of the residents was made to the facility  
265 during the fiscal years ending June 30, 2010, or June 30, 2011, and (2) any  
266 facility that would have been issued a lower rate for the fiscal year  
267 ending June 30, 2010, or June 30, 2011, due to interim rate status or  
268 agreement with the department, shall be issued such lower rate. For the  
269 fiscal year ending June 30, 2012, rates in effect for the period ending June  
270 30, 2011, shall remain in effect until June 30, 2012, except that (A) the  
271 rate paid to a facility may be higher than the rate paid to the facility for  
272 the period ending June 30, 2011, if a capital improvement required by  
273 the Commissioner of Developmental Services for the health or safety of  
274 the residents was made to the facility during the fiscal year ending June  
275 30, 2012, and (B) any facility that would have been issued a lower rate  
276 for the fiscal year ending June 30, 2012, due to interim rate status or  
277 agreement with the department, shall be issued such lower rate. Any  
278 facility that has a significant decrease in land and building costs shall  
279 receive a reduced rate to reflect such decrease in land and building costs.  
280 The rate paid to a facility may be increased if a capital improvement  
281 approved by the Department of Developmental Services, in consultation  
282 with the Department of Social Services, for the health or safety of the  
283 residents was made to the facility during the fiscal year ending June 30,  
284 2014, or June 30, 2015, only to the extent such increases are within  
285 available appropriations. For the fiscal years ending June 30, 2016, and

286 June 30, 2017, rates shall not exceed those in effect for the period ending  
287 June 30, 2015, except the rate paid to a facility may be higher than the  
288 rate paid to the facility for the period ending June 30, 2015, if a capital  
289 improvement approved by the Department of Developmental Services,  
290 in consultation with the Department of Social Services, for the health or  
291 safety of the residents was made to the facility during the fiscal year  
292 ending June 30, 2016, or June 30, 2017, to the extent such rate increases  
293 are within available appropriations. For the fiscal years ending June 30,  
294 2016, and June 30, 2017, and each succeeding fiscal year, any facility that  
295 would have been issued a lower rate, due to interim rate status, a change  
296 in allowable fair rent or agreement with the department, shall be issued  
297 such lower rate. For the fiscal years ending June 30, 2018, and June 30,  
298 2019, rates shall not exceed those in effect for the period ending June 30,  
299 2017, except the rate paid to a facility may be higher than the rate paid  
300 to the facility for the period ending June 30, 2017, if a capital  
301 improvement approved by the Department of Developmental Services,  
302 in consultation with the Department of Social Services, for the health or  
303 safety of the residents was made to the facility during the fiscal year  
304 ending June 30, 2018, or June 30, 2019, to the extent such rate increases  
305 are within available appropriations. For the fiscal years ending June 30,  
306 2020, and June 30, 2021, rates shall not exceed those in effect for the fiscal  
307 year ending June 30, 2019, except the rate paid to a facility may be higher  
308 than the rate paid to the facility for the fiscal year ending June 30, 2019,  
309 if a capital improvement approved by the Department of  
310 Developmental Services, in consultation with the Department of Social  
311 Services, for the health or safety of the residents was made to the facility  
312 during the fiscal year ending June 30, 2020, or June 30, 2021, to the extent  
313 such rate increases are within available appropriations. For the fiscal  
314 years ending June 30, 2022, and June 30, 2023, rates shall not exceed  
315 those in effect for the fiscal year ending June 30, 2021, except the rate  
316 paid to a facility may be higher than the rate paid to the facility for the  
317 fiscal year ending June 30, 2021, if a capital improvement approved by  
318 the Department of Developmental Services, in consultation with the  
319 Department of Social Services, for the health or safety of the residents  
320 was made to the facility during the fiscal year ending June 30, 2022, or

321 June 30, 2023, to the extent such rate increases are within available  
322 appropriations.

323 (b) Notwithstanding the provisions of subsection (a) of this section,  
324 state rates of payment for the fiscal years ending June 30, 2018, June 30,  
325 2019, June 30, 2020, [and] June 30, 2021, June 30, 2022, and June 30, 2023,  
326 for residential care homes and community living arrangements that  
327 receive the flat rate for residential services under section 17-311-54 of the  
328 regulations of Connecticut state agencies shall be set in accordance with  
329 section [298 of public act 19-117] 6 of this act.

330 (c) The Commissioner of Social Services and the Commissioner of  
331 Developmental Services shall adopt regulations in accordance with the  
332 provisions of chapter 54 to implement the provisions of this section.

333 Sec. 6. (*Effective July 1, 2021*) Notwithstanding subsection (a) of section  
334 17b-244 of the general statutes, as amended by this act, and subsections  
335 (a) to (i), inclusive, of section 17b-340 of the general statutes or any other  
336 provision of the general statutes, or regulation adopted thereunder, the  
337 state rates of payments in effect for the fiscal year ending June 30, 2016,  
338 for residential care homes, community living arrangements and  
339 community companion homes that receive the flat rate for residential  
340 services under section 17-311-54 of the regulations of Connecticut state  
341 agencies shall remain in effect until June 30, 2023.

342 Sec. 7. Section 17b-340d of the general statutes is repealed and the  
343 following is substituted in lieu thereof (*Effective July 1, 2021*):

344 (a) The Commissioner of Social Services [may] shall implement an  
345 acuity-based methodology for Medicaid reimbursement of nursing  
346 home services. [In the course of developing such a system, the  
347 commissioner shall review the skilled nursing facility prospective  
348 payment system developed by the Centers for Medicare and Medicaid  
349 Services, as well as other methodologies used nationally, and shall  
350 consider recommendations from the nursing home industry.]  
351 Notwithstanding section 17b-340, as amended by this act, for the fiscal  
352 year ending June 30, 2022, and annually thereafter, the Commissioner of

353 Social Services shall establish Medicaid rates paid to nursing home  
354 facilities based on cost years ending on September thirtieth in  
355 accordance with the following:

356 (1) Case-mix adjustments to the direct care component shall be made  
357 or phased in effective beginning July 1, 2021, and updated every quarter  
358 thereafter. The transition to acuity-based reimbursement shall be cost  
359 neutral and based on cost reports for the fiscal year ending June 30, 2018.

360 (2) Geographic peer groupings of facilities shall be established by the  
361 Department of Social Services pursuant to regulations adopted in  
362 accordance with subsection (b) of this section.

363 (3) Allowable costs shall be divided into the following five cost  
364 components: (A) Direct costs, which shall include salaries for nursing  
365 personnel, related fringe benefits and nursing pool costs; (B) indirect  
366 costs, which shall include professional fees, dietary expenses,  
367 housekeeping expenses, laundry expenses, supplies related to patient  
368 care, salaries for indirect care personnel and related fringe benefits; (C)  
369 fair rent, which shall be defined in regulations adopted in accordance  
370 with subsection (b) of this section; (D) capital-related costs, which shall  
371 include property taxes, insurance expenses, equipment leases and  
372 equipment depreciation; and (E) administrative and general costs,  
373 which shall include maintenance and operation of plant expenses,  
374 salaries for administrative and maintenance personnel and related  
375 fringe benefits. For (i) direct costs, the maximum cost shall be equal to  
376 one hundred thirty-five per cent of the median allowable cost of that  
377 peer grouping; (ii) indirect costs, the maximum cost shall be equal to one  
378 hundred fifteen per cent of the state-wide median allowable cost; (iii)  
379 fair rent, the amount shall be calculated utilizing the amount approved  
380 pursuant to section 17b-353; (iv) capital-related costs, there shall be no  
381 maximum; and (v) administrative and general costs, the maximum shall  
382 be equal to the state-wide median allowable cost.

383 (4) For the fiscal year ending June 30, 2022, the commissioner may, in  
384 the commissioner's discretion and within available appropriations,

385 provide pro rata fair rent increases to facilities which have documented  
386 fair rent additions placed in service in the cost report year ending  
387 September 30, 2019, that are not otherwise included in the rates issued.

388 (5) There shall be no increase to rates based on inflation or any  
389 inflationary factor for the fiscal years ending June 30, 2022, and June 30,  
390 2023.

391 (6) For purposes of computing minimum allowable patient days,  
392 utilization of a facility's certified beds shall be determined at a minimum  
393 of ninety per cent of capacity, except for new facilities and facilities  
394 which are certified for additional beds which may be permitted a lower  
395 occupancy rate for the first three months of operation after the effective  
396 date of licensure.

397 (7) Rates determined under this section shall comply with federal  
398 laws and regulations.

399 (b) The Commissioner of Social Services may implement policies as  
400 necessary to carry out the provisions of this section while in the process  
401 of adopting the policies as regulations, provided that prior to  
402 implementation the policies are posted (1) on the eRegulations System  
403 established pursuant to section 4-173b and (2) the Department of Social  
404 Services' Internet web site.

405 Sec. 8. Section 17b-340 of the general statutes is repealed and the  
406 following is substituted in lieu thereof (*Effective July 1, 2021*):

407 (a) For purposes of this subsection, (1) a "related party" includes, but  
408 is not limited to, any company related to a chronic and convalescent  
409 nursing home through family association, common ownership, control  
410 or business association with any of the owners, operators or officials of  
411 such nursing home; (2) "company" means any person, partnership,  
412 association, holding company, limited liability company or corporation;  
413 (3) "family association" means a relationship by birth, marriage or  
414 domestic partnership; and (4) "profit and loss statement" means the  
415 most recent annual statement on profits and losses finalized by a related

416 party before the annual report mandated under this subsection. The  
417 rates to be paid by or for persons aided or cared for by the state or any  
418 town in this state to licensed chronic and convalescent nursing homes,  
419 to chronic disease hospitals associated with chronic and convalescent  
420 nursing homes, to rest homes with nursing supervision, to licensed  
421 residential care homes, as defined by section 19a-490, and to residential  
422 facilities for persons with intellectual disability that are licensed  
423 pursuant to section 17a-227 and certified to participate in the Title XIX  
424 Medicaid program as intermediate care facilities for individuals with  
425 intellectual disabilities, for room, board and services specified in  
426 licensing regulations issued by the licensing agency shall be determined  
427 annually, except as otherwise provided in this subsection [, after a  
428 public hearing,] by the Commissioner of Social Services, to be effective  
429 July first of each year except as otherwise provided in this subsection.  
430 Such rates shall be determined on a basis of a reasonable payment for  
431 such necessary services, which basis shall take into account as a factor  
432 the costs of such services. Cost of such services shall include reasonable  
433 costs mandated by collective bargaining agreements with certified  
434 collective bargaining agents or other agreements between the employer  
435 and employees, provided "employees" shall not include persons  
436 employed as managers or chief administrators or required to be licensed  
437 as nursing home administrators, and compensation for services  
438 rendered by proprietors at prevailing wage rates, as determined by  
439 application of principles of accounting as prescribed by said  
440 commissioner. Cost of such services shall not include amounts paid by  
441 the facilities to employees as salary, or to attorneys or consultants as  
442 fees, where the responsibility of the employees, attorneys, or consultants  
443 is to persuade or seek to persuade the other employees of the facility to  
444 support or oppose unionization. Nothing in this subsection shall  
445 prohibit inclusion of amounts paid for legal counsel related to the  
446 negotiation of collective bargaining agreements, the settlement of  
447 grievances or normal administration of labor relations. The  
448 commissioner may, in the commissioner's discretion, allow the inclusion  
449 of extraordinary and unanticipated costs of providing services that were  
450 incurred to avoid an immediate negative impact on the health and safety

451 of patients. The commissioner may, in the commissioner's discretion,  
452 based upon review of a facility's costs, direct care staff to patient ratio  
453 and any other related information, revise a facility's rate for any  
454 increases or decreases to total licensed capacity of more than ten beds or  
455 changes to its number of licensed rest home with nursing supervision  
456 beds and chronic and convalescent nursing home beds. The  
457 commissioner may, in the commissioner's discretion, revise the rate of a  
458 facility that is closing. An interim rate issued for the period during  
459 which a facility is closing shall be based on a review of facility costs, the  
460 expected duration of the close-down period, the anticipated impact on  
461 Medicaid costs, available appropriations and the relationship of the rate  
462 requested by the facility to the average Medicaid rate for a close-down  
463 period. The commissioner may so revise a facility's rate established for  
464 the fiscal year ending June 30, 1993, and thereafter for any bed increases,  
465 decreases or changes in licensure effective after October 1, 1989.  
466 Effective July 1, 1991, in facilities that have both a chronic and  
467 convalescent nursing home and a rest home with nursing supervision,  
468 the rate for the rest home with nursing supervision shall not exceed such  
469 facility's rate for its chronic and convalescent nursing home. All such  
470 facilities for which rates are determined under this subsection shall  
471 report on a fiscal year basis ending on September thirtieth. Such report  
472 shall be submitted to the commissioner by February fifteenth. Each for-  
473 profit chronic and convalescent nursing home that receives state  
474 funding pursuant to this section shall include in such annual report a  
475 profit and loss statement from each related party that receives from such  
476 chronic and convalescent nursing home fifty thousand dollars or more  
477 per year for goods, fees and services. No cause of action or liability shall  
478 arise against the state, the Department of Social Services, any state  
479 official or agent for failure to take action based on the information  
480 required to be reported under this subsection. The commissioner may  
481 reduce the rate in effect for a facility that fails to submit a complete and  
482 accurate report on or before February fifteenth by an amount not to  
483 exceed ten per cent of such rate. If a licensed residential care home fails  
484 to submit a complete and accurate report, the department shall notify  
485 such home of the failure and the home shall have thirty days from the

486 date the notice was issued to submit a complete and accurate report. If  
487 a licensed residential care home fails to submit a complete and accurate  
488 report not later than thirty days after the date of notice, such home may  
489 not receive a retroactive rate increase, in the commissioner's discretion.  
490 The commissioner shall, annually, on or before April first, report the  
491 data contained in the reports of such facilities [to the joint standing  
492 committee of the General Assembly having cognizance of matters  
493 relating to appropriations and the budgets of state agencies] on the  
494 department's Internet web site. For the cost reporting year commencing  
495 October 1, 1985, and for subsequent cost reporting years, facilities shall  
496 report the cost of using the services of any nursing pool employee by  
497 separating said cost into two categories, the portion of the cost equal to  
498 the salary of the employee for whom the nursing pool employee is  
499 substituting shall be considered a nursing cost and any cost in excess of  
500 such salary shall be further divided so that seventy-five per cent of the  
501 excess cost shall be considered an administrative or general cost and  
502 twenty-five per cent of the excess cost shall be considered a nursing cost,  
503 provided if the total nursing pool costs of a facility for any cost year are  
504 equal to or exceed fifteen per cent of the total nursing expenditures of  
505 the facility for such cost year, no portion of nursing pool costs in excess  
506 of fifteen per cent shall be classified as administrative or general costs.  
507 The commissioner, in determining such rates, shall also take into  
508 account the classification of patients or boarders according to special  
509 care requirements or classification of the facility according to such  
510 factors as facilities and services and such other factors as the  
511 commissioner deems reasonable, including anticipated fluctuations in  
512 the cost of providing such services. The commissioner may establish a  
513 separate rate for a facility or a portion of a facility for traumatic brain  
514 injury patients who require extensive care but not acute general hospital  
515 care. Such separate rate shall reflect the special care requirements of  
516 such patients. If changes in federal or state laws, regulations or  
517 standards adopted subsequent to June 30, 1985, result in increased costs  
518 or expenditures in an amount exceeding one-half of one per cent of  
519 allowable costs for the most recent cost reporting year, the  
520 commissioner shall adjust rates and provide payment for any such



521 increased reasonable costs or expenditures within a reasonable period  
522 of time retroactive to the date of enforcement. Nothing in this section  
523 shall be construed to require the Department of Social Services to adjust  
524 rates and provide payment for any increases in costs resulting from an  
525 inspection of a facility by the Department of Public Health. Such  
526 assistance as the commissioner requires from other state agencies or  
527 departments in determining rates shall be made available to the  
528 commissioner at the commissioner's request. Payment of the rates  
529 established pursuant to this section shall be conditioned on the  
530 establishment by such facilities of admissions procedures that conform  
531 with this section, section 19a-533 and all other applicable provisions of  
532 the law and the provision of equality of treatment to all persons in such  
533 facilities. The established rates shall be the maximum amount  
534 chargeable by such facilities for care of such beneficiaries, and the  
535 acceptance by or on behalf of any such facility of any additional  
536 compensation for care of any such beneficiary from any other person or  
537 source shall constitute the offense of aiding a beneficiary to obtain aid  
538 to which the beneficiary is not entitled and shall be punishable in the  
539 same manner as is provided in subsection (b) of section 17b-97. [For the  
540 fiscal year ending June 30, 1992, rates for licensed residential care homes  
541 and intermediate care facilities for individuals with intellectual  
542 disabilities may receive an increase not to exceed the most recent annual  
543 increase in the Regional Data Resources Incorporated McGraw-Hill  
544 Health Care Costs: Consumer Price Index (all urban)-All Items. Rates  
545 for newly certified intermediate care facilities for individuals with  
546 intellectual disabilities shall not exceed one hundred fifty per cent of the  
547 median rate of rates in effect on January 31, 1991, for intermediate care  
548 facilities for individuals with intellectual disabilities certified prior to  
549 February 1, 1991.] Notwithstanding any provision of this section, the  
550 Commissioner of Social Services may, within available appropriations,  
551 provide an interim rate increase for a licensed chronic and convalescent  
552 nursing home or a rest home with nursing supervision for rate periods  
553 no earlier than April 1, 2004, only if the commissioner determines that  
554 the increase is necessary to avoid the filing of a petition for relief under  
555 Title 11 of the United States Code; imposition of receivership pursuant

556 to sections 19a-542 and 19a-543; or substantial deterioration of the  
557 facility's financial condition that may be expected to adversely affect  
558 resident care and the continued operation of the facility, and the  
559 commissioner determines that the continued operation of the facility is  
560 in the best interest of the state. The commissioner shall consider any  
561 requests for interim rate increases on file with the department from  
562 March 30, 2004, and those submitted subsequently for rate periods no  
563 earlier than April 1, 2004. When reviewing an interim rate increase  
564 request the commissioner shall, at a minimum, consider: (A) Existing  
565 chronic and convalescent nursing home or rest home with nursing  
566 supervision utilization in the area and projected bed need; (B) physical  
567 plant long-term viability and the ability of the owner or purchaser to  
568 implement any necessary property improvements; (C) licensure and  
569 certification compliance history; (D) reasonableness of actual and  
570 projected expenses; and (E) the ability of the facility to meet wage and  
571 benefit costs. No interim rate shall be increased pursuant to this  
572 subsection in excess of one hundred fifteen per cent of the median rate  
573 for the facility's peer grouping, established pursuant to subdivision (2)  
574 of subsection (f) of this section, unless recommended by the  
575 commissioner and approved by the Secretary of the Office of Policy and  
576 Management after consultation with the commissioner. Such median  
577 rates shall be published by the Department of Social Services not later  
578 than April first of each year. In the event that a facility granted an  
579 interim rate increase pursuant to this section is sold or otherwise  
580 conveyed for value to an unrelated entity less than five years after the  
581 effective date of such rate increase, the rate increase shall be deemed  
582 rescinded and the department shall recover an amount equal to the  
583 difference between payments made for all affected rate periods and  
584 payments that would have been made if the interim rate increase was  
585 not granted. The commissioner may seek recovery of such payments  
586 from any facility with common ownership. With the approval of the  
587 Secretary of the Office of Policy and Management, the commissioner  
588 may waive recovery and rescission of the interim rate for good cause  
589 shown that is not inconsistent with this section, including, but not  
590 limited to, transfers to family members that were made for no value. The

591 commissioner shall provide written quarterly reports to the joint  
592 standing committees of the General Assembly having cognizance of  
593 matters relating to aging, human services and appropriations and the  
594 budgets of state agencies, that identify each facility requesting an  
595 interim rate increase, the amount of the requested rate increase for each  
596 facility, the action taken by the commissioner and the secretary pursuant  
597 to this subsection, and estimates of the additional cost to the state for  
598 each approved interim rate increase. Nothing in this subsection shall  
599 prohibit the commissioner from increasing the rate of a licensed chronic  
600 and convalescent nursing home or a rest home with nursing supervision  
601 for allowable costs associated with facility capital improvements or  
602 increasing the rate in case of a sale of a licensed chronic and convalescent  
603 nursing home or a rest home with nursing supervision [, pursuant to  
604 subdivision (15) of subsection (f) of this section,] if receivership has been  
605 imposed on such home.

606 (b) [The Commissioner of Social Services shall adopt regulations in  
607 accordance with the provisions of chapter 54 to specify other allowable  
608 services. For purposes of this section, other allowable services means  
609 those services required by any medical assistance beneficiary residing  
610 in such home or hospital which are not already covered in the rate set  
611 by the commissioner in accordance with the provisions of subsection (a)  
612 of this section] The Commissioner of Social Services may implement  
613 policies and procedures as necessary to carry out the provisions of this  
614 section while in the process of adopting the policies and procedures as  
615 regulations, provided notice of intent to adopt the regulations is  
616 published in accordance with the provisions of section 17b-10 not later  
617 than twenty days after the date of implementation.

618 (c) No facility subject to the requirements of this section shall accept  
619 payment in excess of the rate set by the commissioner pursuant to  
620 subsection (a) of this section for any medical assistance patient from this  
621 or any other state. No facility shall accept payment in excess of the  
622 reasonable and necessary costs of other allowable services as specified  
623 by the commissioner pursuant to the regulations adopted under  
624 subsection (b) of this section for any public assistance patient from this

625 or any other state. Notwithstanding the provisions of this subsection,  
626 the commissioner may authorize a facility to accept payment in excess  
627 of the rate paid for a medical assistance patient in this state for a patient  
628 who receives medical assistance from another state.

629 (d) In any instance where the Commissioner of Social Services finds  
630 that a facility subject to the requirements of this section is accepting  
631 payment for a medical assistance beneficiary in violation of subsection  
632 (c) of this section, the commissioner shall proceed to recover through the  
633 rate set for the facility any sum in excess of the stipulated per diem and  
634 other allowable costs, as provided for in regulations adopted pursuant  
635 to subsections (a) and (b) of this section. The commissioner shall make  
636 the recovery prospectively at the time of the next annual rate  
637 redetermination.

638 (e) Except as provided in this subsection, the provisions of  
639 subsections (c) and (d) of this section shall not apply to any facility  
640 subject to the requirements of this section, which on October 1, 1981, (1)  
641 was accepting payments from the commissioner in accordance with the  
642 provisions of subsection (a) of this section, (2) was accepting medical  
643 assistance payments from another state for at least twenty per cent of its  
644 patients, and (3) had not notified the commissioner of any intent to  
645 terminate its provider agreement, in accordance with section 17b-271,  
646 provided no patient residing in any such facility on May 22, 1984, shall  
647 be removed from such facility for purposes of meeting the requirements  
648 of this subsection. If the commissioner finds that the number of beds  
649 available to medical assistance patients from this state in any such  
650 facility is less than fifteen per cent the provisions of subsections (c) and  
651 (d) of this section shall apply to that number of beds which is less than  
652 said percentage.

653 (f) For the fiscal years ending on or before June 30, 2021, rates for  
654 nursing home facilities shall be set in accordance with this subsection.  
655 On and after July 1, 2021, such rates shall be set in accordance with  
656 section 17b-340d, as amended by this act. For the fiscal year ending June  
657 30, 1992, the rates paid by or for persons aided or cared for by the state

658 or any town in this state to facilities for room, board and services  
659 specified in licensing regulations issued by the licensing agency, except  
660 intermediate care facilities for individuals with intellectual disabilities  
661 and residential care homes, shall be based on the cost year ending  
662 September 30, 1989. For the fiscal years ending June 30, 1993, and June  
663 30, 1994, such rates shall be based on the cost year ending September 30,  
664 1990. Such rates shall be determined by the Commissioner of Social  
665 Services in accordance with this section and the regulations of  
666 Connecticut state agencies promulgated by the commissioner and in  
667 effect on April 1, 1991, except that:

668 (1) Allowable costs shall be divided into the following five cost  
669 components: (A) Direct costs, which shall include salaries for nursing  
670 personnel, related fringe benefits and nursing pool costs; (B) indirect  
671 costs, which shall include professional fees, dietary expenses,  
672 housekeeping expenses, laundry expenses, supplies related to patient  
673 care, salaries for indirect care personnel and related fringe benefits; (C)  
674 fair rent, which shall be defined in accordance with subsection (f) of  
675 section 17-311-52 of the regulations of Connecticut state agencies; (D)  
676 capital-related costs, which shall include property taxes, insurance  
677 expenses, equipment leases and equipment depreciation; and (E)  
678 administrative and general costs, which shall include (i) maintenance  
679 and operation of plant expenses, (ii) salaries for administrative and  
680 maintenance personnel, and (iii) related fringe benefits. The  
681 commissioner may provide a rate adjustment for nonemergency  
682 transportation services required by nursing facility residents. Such  
683 adjustment shall be a fixed amount determined annually by the  
684 commissioner based upon a review of costs and other associated  
685 information. Allowable costs shall not include costs for ancillary  
686 services payable under Part B of the Medicare program.

687 (2) Two geographic peer groupings of facilities shall be established  
688 for each level of care, as defined by the Department of Social Services  
689 for the determination of rates, for the purpose of determining allowable  
690 direct costs. One peer grouping shall be comprised of those facilities  
691 located in Fairfield County. The other peer grouping shall be comprised

692 of facilities located in all other counties.

693 (3) For the fiscal year ending June 30, 1992, per diem maximum  
694 allowable costs for each cost component shall be as follows: For direct  
695 costs, the maximum shall be equal to one hundred forty per cent of the  
696 median allowable cost of that peer grouping; for indirect costs, the  
697 maximum shall be equal to one hundred thirty per cent of the state-wide  
698 median allowable cost; for fair rent, the amount shall be calculated  
699 utilizing the amount approved by the Office of Health Care Access  
700 pursuant to section 19a-638; for capital-related costs, there shall be no  
701 maximum; and for administrative and general costs, the maximum shall  
702 be equal to one hundred twenty-five per cent of the state-wide median  
703 allowable cost. For the fiscal year ending June 30, 1993, per diem  
704 maximum allowable costs for each cost component shall be as follows:  
705 For direct costs, the maximum shall be equal to one hundred forty per  
706 cent of the median allowable cost of that peer grouping; for indirect  
707 costs, the maximum shall be equal to one hundred twenty-five per cent  
708 of the state-wide median allowable cost; for fair rent, the amount shall  
709 be calculated utilizing the amount approved by the Office of Health  
710 Care Access pursuant to section 19a-638; for capital-related costs, there  
711 shall be no maximum; and for administrative and general costs the  
712 maximum shall be equal to one hundred fifteen per cent of the state-  
713 wide median allowable cost. For the fiscal year ending June 30, 1994, per  
714 diem maximum allowable costs for each cost component shall be as  
715 follows: For direct costs, the maximum shall be equal to one hundred  
716 thirty-five per cent of the median allowable cost of that peer grouping;  
717 for indirect costs, the maximum shall be equal to one hundred twenty  
718 per cent of the state-wide median allowable cost; for fair rent, the  
719 amount shall be calculated utilizing the amount approved by the Office  
720 of Health Care Access pursuant to section 19a-638; for capital-related  
721 costs, there shall be no maximum; and for administrative and general  
722 costs the maximum shall be equal to one hundred ten per cent of the  
723 state-wide median allowable cost. For the fiscal year ending June 30,  
724 1995, per diem maximum allowable costs for each cost component shall  
725 be as follows: For direct costs, the maximum shall be equal to one

726 hundred thirty-five per cent of the median allowable cost of that peer  
727 grouping; for indirect costs, the maximum shall be equal to one hundred  
728 twenty per cent of the state-wide median allowable cost; for fair rent,  
729 the amount shall be calculated utilizing the amount approved by the  
730 Office of Health Care Access pursuant to section 19a-638; for capital-  
731 related costs, there shall be no maximum; and for administrative and  
732 general costs the maximum shall be equal to one hundred five per cent  
733 of the state-wide median allowable cost. For the fiscal year ending June  
734 30, 1996, and any succeeding fiscal year, except for the fiscal years  
735 ending June 30, 2000, and June 30, 2001, for facilities with an interim rate  
736 in one or both periods, per diem maximum allowable costs for each cost  
737 component shall be as follows: For direct costs, the maximum shall be  
738 equal to one hundred thirty-five per cent of the median allowable cost  
739 of that peer grouping; for indirect costs, the maximum shall be equal to  
740 one hundred fifteen per cent of the state-wide median allowable cost;  
741 for fair rent, the amount shall be calculated utilizing the amount  
742 approved pursuant to section 19a-638; for capital-related costs, there  
743 shall be no maximum; and for administrative and general costs the  
744 maximum shall be equal to the state-wide median allowable cost. For  
745 the fiscal years ending June 30, 2000, and June 30, 2001, for facilities with  
746 an interim rate in one or both periods, per diem maximum allowable  
747 costs for each cost component shall be as follows: For direct costs, the  
748 maximum shall be equal to one hundred forty-five per cent of the  
749 median allowable cost of that peer grouping; for indirect costs, the  
750 maximum shall be equal to one hundred twenty-five per cent of the  
751 state-wide median allowable cost; for fair rent, the amount shall be  
752 calculated utilizing the amount approved pursuant to section 19a-638;  
753 for capital-related costs, there shall be no maximum; and for  
754 administrative and general costs, the maximum shall be equal to the  
755 state-wide median allowable cost and such medians shall be based upon  
756 the same cost year used to set rates for facilities with prospective rates.  
757 Costs in excess of the maximum amounts established under this  
758 subsection shall not be recognized as allowable costs, except that the  
759 Commissioner of Social Services (A) may allow costs in excess of  
760 maximum amounts for any facility with patient days covered by

761 Medicare, including days requiring coinsurance, in excess of twelve per  
762 cent of annual patient days which also has patient days covered by  
763 Medicaid in excess of fifty per cent of annual patient days; (B) may  
764 establish a pilot program whereby costs in excess of maximum amounts  
765 shall be allowed for beds in a nursing home which has a managed care  
766 program and is affiliated with a hospital licensed under chapter 368v;  
767 and (C) may establish rates whereby allowable costs may exceed such  
768 maximum amounts for beds approved on or after July 1, 1991, which are  
769 restricted to use by patients with acquired immune deficiency syndrome  
770 or traumatic brain injury.

771       (4) For the fiscal year ending June 30, 1992, (A) no facility shall receive  
772 a rate that is less than the rate it received for the rate year ending June  
773 30, 1991; (B) no facility whose rate, if determined pursuant to this  
774 subsection, would exceed one hundred twenty per cent of the state-wide  
775 median rate, as determined pursuant to this subsection, shall receive a  
776 rate which is five and one-half per cent more than the rate it received for  
777 the rate year ending June 30, 1991; and (C) no facility whose rate, if  
778 determined pursuant to this subsection, would be less than one hundred  
779 twenty per cent of the state-wide median rate, as determined pursuant  
780 to this subsection, shall receive a rate which is six and one-half per cent  
781 more than the rate it received for the rate year ending June 30, 1991. For  
782 the fiscal year ending June 30, 1993, no facility shall receive a rate that is  
783 less than the rate it received for the rate year ending June 30, 1992, or six  
784 per cent more than the rate it received for the rate year ending June 30,  
785 1992. For the fiscal year ending June 30, 1994, no facility shall receive a  
786 rate that is less than the rate it received for the rate year ending June 30,  
787 1993, or six per cent more than the rate it received for the rate year  
788 ending June 30, 1993. For the fiscal year ending June 30, 1995, no facility  
789 shall receive a rate that is more than five per cent less than the rate it  
790 received for the rate year ending June 30, 1994, or six per cent more than  
791 the rate it received for the rate year ending June 30, 1994. For the fiscal  
792 years ending June 30, 1996, and June 30, 1997, no facility shall receive a  
793 rate that is more than three per cent more than the rate it received for  
794 the prior rate year. For the fiscal year ending June 30, 1998, a facility shall



795 receive a rate increase that is not more than two per cent more than the  
796 rate that the facility received in the prior year. For the fiscal year ending  
797 June 30, 1999, a facility shall receive a rate increase that is not more than  
798 three per cent more than the rate that the facility received in the prior  
799 year and that is not less than one per cent more than the rate that the  
800 facility received in the prior year, exclusive of rate increases associated  
801 with a wage, benefit and staffing enhancement rate adjustment added  
802 for the period from April 1, 1999, to June 30, 1999, inclusive. For the fiscal  
803 year ending June 30, 2000, each facility, except a facility with an interim  
804 rate or replaced interim rate for the fiscal year ending June 30, 1999, and  
805 a facility having a certificate of need or other agreement specifying rate  
806 adjustments for the fiscal year ending June 30, 2000, shall receive a rate  
807 increase equal to one per cent applied to the rate the facility received for  
808 the fiscal year ending June 30, 1999, exclusive of the facility's wage,  
809 benefit and staffing enhancement rate adjustment. For the fiscal year  
810 ending June 30, 2000, no facility with an interim rate, replaced interim  
811 rate or scheduled rate adjustment specified in a certificate of need or  
812 other agreement for the fiscal year ending June 30, 2000, shall receive a  
813 rate increase that is more than one per cent more than the rate the facility  
814 received in the fiscal year ending June 30, 1999. For the fiscal year ending  
815 June 30, 2001, each facility, except a facility with an interim rate or  
816 replaced interim rate for the fiscal year ending June 30, 2000, and a  
817 facility having a certificate of need or other agreement specifying rate  
818 adjustments for the fiscal year ending June 30, 2001, shall receive a rate  
819 increase equal to two per cent applied to the rate the facility received for  
820 the fiscal year ending June 30, 2000, subject to verification of wage  
821 enhancement adjustments pursuant to subdivision (14) of this  
822 subsection. For the fiscal year ending June 30, 2001, no facility with an  
823 interim rate, replaced interim rate or scheduled rate adjustment  
824 specified in a certificate of need or other agreement for the fiscal year  
825 ending June 30, 2001, shall receive a rate increase that is more than two  
826 per cent more than the rate the facility received for the fiscal year ending  
827 June 30, 2000. For the fiscal year ending June 30, 2002, each facility shall  
828 receive a rate that is two and one-half per cent more than the rate the  
829 facility received in the prior fiscal year. For the fiscal year ending June

830 30, 2003, each facility shall receive a rate that is two per cent more than  
831 the rate the facility received in the prior fiscal year, except that such  
832 increase shall be effective January 1, 2003, and such facility rate in effect  
833 for the fiscal year ending June 30, 2002, shall be paid for services  
834 provided until December 31, 2002, except any facility that would have  
835 been issued a lower rate effective July 1, 2002, than for the fiscal year  
836 ending June 30, 2002, due to interim rate status or agreement with the  
837 department shall be issued such lower rate effective July 1, 2002, and  
838 have such rate increased two per cent effective June 1, 2003. For the fiscal  
839 year ending June 30, 2004, rates in effect for the period ending June 30,  
840 2003, shall remain in effect, except any facility that would have been  
841 issued a lower rate effective July 1, 2003, than for the fiscal year ending  
842 June 30, 2003, due to interim rate status or agreement with the  
843 department shall be issued such lower rate effective July 1, 2003. For the  
844 fiscal year ending June 30, 2005, rates in effect for the period ending June  
845 30, 2004, shall remain in effect until December 31, 2004, except any  
846 facility that would have been issued a lower rate effective July 1, 2004,  
847 than for the fiscal year ending June 30, 2004, due to interim rate status  
848 or agreement with the department shall be issued such lower rate  
849 effective July 1, 2004. Effective January 1, 2005, each facility shall receive  
850 a rate that is one per cent greater than the rate in effect December 31,  
851 2004. Effective upon receipt of all the necessary federal approvals to  
852 secure federal financial participation matching funds associated with  
853 the rate increase provided in this subdivision, but in no event earlier  
854 than July 1, 2005, and provided the user fee imposed under section 17b-  
855 320 is required to be collected, for the fiscal year ending June 30, 2006,  
856 the department shall compute the rate for each facility based upon its  
857 2003 cost report filing or a subsequent cost year filing for facilities  
858 having an interim rate for the period ending June 30, 2005, as provided  
859 under section 17-311-55 of the regulations of Connecticut state agencies.  
860 For each facility not having an interim rate for the period ending June  
861 30, 2005, the rate for the period ending June 30, 2006, shall be determined  
862 beginning with the higher of the computed rate based upon its 2003 cost  
863 report filing or the rate in effect for the period ending June 30, 2005. Such  
864 rate shall then be increased by eleven dollars and eighty cents per day

865 except that in no event shall the rate for the period ending June 30, 2006,  
866 be thirty-two dollars more than the rate in effect for the period ending  
867 June 30, 2005, and for any facility with a rate below one hundred ninety-  
868 five dollars per day for the period ending June 30, 2005, such rate for the  
869 period ending June 30, 2006, shall not be greater than two hundred  
870 seventeen dollars and forty-three cents per day and for any facility with  
871 a rate equal to or greater than one hundred ninety-five dollars per day  
872 for the period ending June 30, 2005, such rate for the period ending June  
873 30, 2006, shall not exceed the rate in effect for the period ending June 30,  
874 2005, increased by eleven and one-half per cent. For each facility with  
875 an interim rate for the period ending June 30, 2005, the interim  
876 replacement rate for the period ending June 30, 2006, shall not exceed  
877 the rate in effect for the period ending June 30, 2005, increased by eleven  
878 dollars and eighty cents per day plus the per day cost of the user fee  
879 payments made pursuant to section 17b-320 divided by annual resident  
880 service days, except for any facility with an interim rate below one  
881 hundred ninety-five dollars per day for the period ending June 30, 2005,  
882 the interim replacement rate for the period ending June 30, 2006, shall  
883 not be greater than two hundred seventeen dollars and forty-three cents  
884 per day and for any facility with an interim rate equal to or greater than  
885 one hundred ninety-five dollars per day for the period ending June 30,  
886 2005, the interim replacement rate for the period ending June 30, 2006,  
887 shall not exceed the rate in effect for the period ending June 30, 2005,  
888 increased by eleven and one-half per cent. Such July 1, 2005, rate  
889 adjustments shall remain in effect unless (i) the federal financial  
890 participation matching funds associated with the rate increase are no  
891 longer available; or (ii) the user fee created pursuant to section 17b-320  
892 is not in effect. For the fiscal year ending June 30, 2007, each facility shall  
893 receive a rate that is three per cent greater than the rate in effect for the  
894 period ending June 30, 2006, except any facility that would have been  
895 issued a lower rate effective July 1, 2006, than for the rate period ending  
896 June 30, 2006, due to interim rate status or agreement with the  
897 department, shall be issued such lower rate effective July 1, 2006. For the  
898 fiscal year ending June 30, 2008, each facility shall receive a rate that is  
899 two and nine-tenths per cent greater than the rate in effect for the period

900 ending June 30, 2007, except any facility that would have been issued a  
901 lower rate effective July 1, 2007, than for the rate period ending June 30,  
902 2007, due to interim rate status or agreement with the department, shall  
903 be issued such lower rate effective July 1, 2007. For the fiscal year ending  
904 June 30, 2009, rates in effect for the period ending June 30, 2008, shall  
905 remain in effect until June 30, 2009, except any facility that would have  
906 been issued a lower rate for the fiscal year ending June 30, 2009, due to  
907 interim rate status or agreement with the department shall be issued  
908 such lower rate. For the fiscal years ending June 30, 2010, and June 30,  
909 2011, rates in effect for the period ending June 30, 2009, shall remain in  
910 effect until June 30, 2011, except any facility that would have been issued  
911 a lower rate for the fiscal year ending June 30, 2010, or the fiscal year  
912 ending June 30, 2011, due to interim rate status or agreement with the  
913 department, shall be issued such lower rate. For the fiscal years ending  
914 June 30, 2012, and June 30, 2013, rates in effect for the period ending June  
915 30, 2011, shall remain in effect until June 30, 2013, except any facility that  
916 would have been issued a lower rate for the fiscal year ending June 30,  
917 2012, or the fiscal year ending June 30, 2013, due to interim rate status  
918 or agreement with the department, shall be issued such lower rate. For  
919 the fiscal year ending June 30, 2014, the department shall determine  
920 facility rates based upon 2011 cost report filings subject to the provisions  
921 of this section and applicable regulations except: (I) A ninety per cent  
922 minimum occupancy standard shall be applied; (II) no facility shall  
923 receive a rate that is higher than the rate in effect on June 30, 2013; and  
924 (III) no facility shall receive a rate that is more than four per cent lower  
925 than the rate in effect on June 30, 2013, except that any facility that would  
926 have been issued a lower rate effective July 1, 2013, than for the rate  
927 period ending June 30, 2013, due to interim rate status or agreement  
928 with the department, shall be issued such lower rate effective July 1,  
929 2013. For the fiscal year ending June 30, 2015, rates in effect for the  
930 period ending June 30, 2014, shall remain in effect until June 30, 2015,  
931 except any facility that would have been issued a lower rate effective  
932 July 1, 2014, than for the rate period ending June 30, 2014, due to interim  
933 rate status or agreement with the department, shall be issued such lower  
934 rate effective July 1, 2014. For the fiscal years ending June 30, 2016, and

935 June 30, 2017, rates shall not exceed those in effect for the period ending  
936 June 30, 2015, except the rate paid to a facility may be higher than the  
937 rate paid to the facility for the period ending June 30, 2015, if the  
938 commissioner provides, within available appropriations, pro rata fair  
939 rent increases, which may, at the discretion of the commissioner, include  
940 increases for facilities which have undergone a material change in  
941 circumstances related to fair rent additions or moveable equipment  
942 placed in service in cost report years ending September 30, 2014, and  
943 September 30, 2015, and not otherwise included in rates issued. For the  
944 fiscal years ending June 30, 2016, and June 30, 2017, and each succeeding  
945 fiscal year, any facility that would have been issued a lower rate, due to  
946 interim rate status or agreement with the department, shall be issued  
947 such lower rate. For the fiscal year ending June 30, 2018, facilities that  
948 received a rate decrease due to the expiration of a 2015 fair rent asset  
949 shall receive a rate increase of an equivalent amount effective July 1,  
950 2017. For the fiscal year ending June 30, 2018, the department shall  
951 determine facility rates based upon 2016 cost report filings subject to the  
952 provisions of this section and applicable regulations, provided no  
953 facility shall receive a rate that is higher than the rate in effect on  
954 December 31, 2016, and no facility shall receive a rate that is more than  
955 two per cent lower than the rate in effect on December 31, 2016. For the  
956 fiscal year ending June 30, 2019, no facility shall receive a rate that is  
957 higher than the rate in effect on June 30, 2018, except the rate paid to a  
958 facility may be higher than the rate paid to the facility for the period  
959 ending June 30, 2018, if the commissioner provides, within available  
960 appropriations, pro rata fair rent increases, which may, at the discretion  
961 of the commissioner, include increases for facilities which have  
962 undergone a material change in circumstances related to fair rent  
963 additions or moveable equipment placed in service in the cost report  
964 year ending September 30, 2017, and not otherwise included in rates  
965 issued. For the fiscal year ending June 30, 2020, the department shall  
966 determine facility rates based upon 2018 cost report filings subject to the  
967 provisions of this section, adjusted to reflect any rate increases provided  
968 after the cost report year ending September 30, 2018, and applicable  
969 regulations, provided no facility shall receive a rate that is higher than

970 the rate in effect on June 30, 2019, except the rate paid to a facility may  
971 be higher than the rate paid to the facility for the fiscal year ending June  
972 30, 2019, if the commissioner provides, within available appropriations,  
973 pro rata fair rent increases, which may, at the discretion of the  
974 commissioner, include increases for facilities which have undergone a  
975 material change in circumstances related to fair rent additions in the cost  
976 report year ending September 30, 2018, and are not otherwise included  
977 in rates issued. For the fiscal year ending June 30, 2020, no facility shall  
978 receive a rate that is more than two per cent lower than the rate in effect  
979 on June 30, 2019, unless the facility has an occupancy level of less than  
980 seventy per cent, as reported in the 2018 cost report, or an overall rating  
981 on Medicare's Nursing Home Compare of one star for the three most  
982 recent reporting periods as of July 1, 2019, unless the facility is under an  
983 interim rate due to new ownership. For the fiscal year ending June 30,  
984 2021, no facility shall receive a rate that is higher than the rate in effect  
985 on June 30, 2020, except the rate paid to a facility may be higher than the  
986 rate paid to the facility for the fiscal year ending June 30, 2020, if the  
987 commissioner provides, within available appropriations, pro rata fair  
988 rent increases, which may, at the discretion of the commissioner, include  
989 increases for facilities which have undergone a material change in  
990 circumstances related to fair rent additions in the cost report year  
991 ending September 30, 2019, and are not otherwise included in rates  
992 issued. The Commissioner of Social Services shall add fair rent increases  
993 to any other rate increases established pursuant to this subdivision for a  
994 facility which has undergone a material change in circumstances related  
995 to fair rent, except for the fiscal years ending June 30, 2010, June 30, 2011,  
996 and June 30, 2012, such fair rent increases shall only be provided to  
997 facilities with an approved certificate of need pursuant to section 17b-  
998 352, 17b-353, 17b-354 or 17b-355. For the fiscal year ending June 30, 2013,  
999 the commissioner may, within available appropriations, provide pro  
1000 rata fair rent increases for facilities which have undergone a material  
1001 change in circumstances related to fair rent additions placed in service  
1002 in cost report years ending September 30, 2008, to September 30, 2011,  
1003 inclusive, and not otherwise included in rates issued. For the fiscal years  
1004 ending June 30, 2014, and June 30, 2015, the commissioner may, within

1005 available appropriations, provide pro rata fair rent increases, which may  
1006 include moveable equipment at the discretion of the commissioner, for  
1007 facilities which have undergone a material change in circumstances  
1008 related to fair rent additions or moveable equipment placed in service  
1009 in cost report years ending September 30, 2012, and September 30, 2013,  
1010 and not otherwise included in rates issued. The commissioner shall add  
1011 fair rent increases associated with an approved certificate of need  
1012 pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. Interim rates  
1013 may take into account reasonable costs incurred by a facility, including  
1014 wages and benefits. Notwithstanding the provisions of this section, the  
1015 Commissioner of Social Services may, subject to available  
1016 appropriations, increase or decrease rates issued to licensed chronic and  
1017 convalescent nursing homes and licensed rest homes with nursing  
1018 supervision. Notwithstanding any provision of this section, the  
1019 Commissioner of Social Services shall, effective July 1, 2015, within  
1020 available appropriations, adjust facility rates in accordance with the  
1021 application of standard accounting principles as prescribed by the  
1022 commissioner, for each facility subject to subsection (a) of this section.  
1023 Such adjustment shall provide a pro-rata increase based on direct and  
1024 indirect care employee salaries reported in the 2014 annual cost report,  
1025 and adjusted to reflect subsequent salary increases, to reflect reasonable  
1026 costs mandated by collective bargaining agreements with certified  
1027 collective bargaining agents, or otherwise provided by a facility to its  
1028 employees. For purposes of this subsection, "employee" shall not  
1029 include a person employed as a facility's manager, chief administrator,  
1030 a person required to be licensed as a nursing home administrator or any  
1031 individual who receives compensation for services pursuant to a  
1032 contractual arrangement and who is not directly employed by the  
1033 facility. The commissioner may establish an upper limit for reasonable  
1034 costs associated with salary adjustments beyond which the adjustment  
1035 shall not apply. Nothing in this section shall require the commissioner  
1036 to distribute such adjustments in a way that jeopardizes anticipated  
1037 federal reimbursement. Facilities that receive such adjustment but do  
1038 not provide increases in employee salaries as described in this  
1039 subsection on or before July 31, 2015, may be subject to a rate decrease

1040 in the same amount as the adjustment by the commissioner. Of the  
1041 amount appropriated for this purpose, no more than nine million  
1042 dollars shall go to increases based on reasonable costs mandated by  
1043 collective bargaining agreements. Notwithstanding the provisions of  
1044 this subsection, effective July 1, 2019, October 1, 2020, and January 1,  
1045 2021, the commissioner shall, within available appropriations, increase  
1046 rates for the purpose of wage and benefit enhancements for facility  
1047 employees. The commissioner shall adjust the rate paid to the facility in  
1048 the form of a rate adjustment to reflect any rate increases paid after the  
1049 cost report year ending September 30, 2018. Facilities that receive a rate  
1050 adjustment for the purpose of wage and benefit enhancements but do  
1051 not provide increases in employee salaries as described in this  
1052 subsection on or before September 30, 2019, October 31, 2020, and  
1053 January 31, 2021, respectively, may be subject to a rate decrease in the  
1054 same amount as the adjustment by the commissioner.

1055 (5) For the purpose of determining allowable fair rent, a facility with  
1056 allowable fair rent less than the twenty-fifth percentile of the state-wide  
1057 allowable fair rent shall be reimbursed as having allowable fair rent  
1058 equal to the twenty-fifth percentile of the state-wide allowable fair rent,  
1059 provided for the fiscal years ending June 30, 1996, and June 30, 1997, the  
1060 reimbursement may not exceed the twenty-fifth percentile of the state-  
1061 wide allowable fair rent for the fiscal year ending June 30, 1995. On and  
1062 after July 1, 1998, the Commissioner of Social Services may allow  
1063 minimum fair rent as the basis upon which reimbursement associated  
1064 with improvements to real property is added. Beginning with the fiscal  
1065 year ending June 30, 1996, any facility with a rate of return on real  
1066 property other than land in excess of eleven per cent shall have such  
1067 allowance revised to eleven per cent. Any facility or its related realty  
1068 affiliate which finances or refinances debt through bonds issued by the  
1069 State of Connecticut Health and Education Facilities Authority shall  
1070 report the terms and conditions of such financing or refinancing to the  
1071 Commissioner of Social Services within thirty days of completing such  
1072 financing or refinancing. The Commissioner of Social Services may  
1073 revise the facility's fair rent component of its rate to reflect any financial



1074 benefit the facility or its related realty affiliate received as a result of such  
1075 financing or refinancing, including but not limited to, reductions in the  
1076 amount of debt service payments or period of debt repayment. The  
1077 commissioner shall allow actual debt service costs for bonds issued by  
1078 the State of Connecticut Health and Educational Facilities Authority if  
1079 such costs do not exceed property costs allowed pursuant to subsection  
1080 (f) of section 17-311-52 of the regulations of Connecticut state agencies,  
1081 provided the commissioner may allow higher debt service costs for such  
1082 bonds for good cause. For facilities which first open on or after October  
1083 1, 1992, the commissioner shall determine allowable fair rent for real  
1084 property other than land based on the rate of return for the cost year in  
1085 which such bonds were issued. The financial benefit resulting from a  
1086 facility financing or refinancing debt through such bonds shall be shared  
1087 between the state and the facility to an extent determined by the  
1088 commissioner on a case-by-case basis and shall be reflected in an  
1089 adjustment to the facility's allowable fair rent.

1090 (6) A facility shall receive cost efficiency adjustments for indirect costs  
1091 and for administrative and general costs if such costs are below the  
1092 state-wide median costs. The cost efficiency adjustments shall equal  
1093 twenty-five per cent of the difference between allowable reported costs  
1094 and the applicable median allowable cost established pursuant to this  
1095 subdivision.

1096 (7) For the fiscal year ending June 30, 1992, allowable operating costs,  
1097 excluding fair rent, shall be inflated using the Regional Data Resources  
1098 Incorporated McGraw-Hill Health Care Costs: Consumer Price Index  
1099 (all urban)-All Items minus one and one-half per cent. For the fiscal year  
1100 ending June 30, 1993, allowable operating costs, excluding fair rent, shall  
1101 be inflated using the Regional Data Resources Incorporated McGraw-  
1102 Hill Health Care Costs: Consumer Price Index (all urban)-All Items  
1103 minus one and three-quarters per cent. For the fiscal years ending June  
1104 30, 1994, and June 30, 1995, allowable operating costs, excluding fair  
1105 rent, shall be inflated using the Regional Data Resources Incorporated  
1106 McGraw-Hill Health Care Costs: Consumer Price Index (all urban)-All  
1107 Items minus two per cent. For the fiscal year ending June 30, 1996,

1108 allowable operating costs, excluding fair rent, shall be inflated using the  
1109 Regional Data Resources Incorporated McGraw-Hill Health Care Costs:  
1110 Consumer Price Index (all urban)-All Items minus two and one-half per  
1111 cent. For the fiscal year ending June 30, 1997, allowable operating costs,  
1112 excluding fair rent, shall be inflated using the Regional Data Resources  
1113 Incorporated McGraw-Hill Health Care Costs: Consumer Price Index  
1114 (all urban)-All Items minus three and one-half per cent. For the fiscal  
1115 year ending June 30, 1992, and any succeeding fiscal year, allowable fair  
1116 rent shall be those reported in the annual report of long-term care  
1117 facilities for the cost year ending the immediately preceding September  
1118 thirtieth. The inflation index to be used pursuant to this subsection shall  
1119 be computed to reflect inflation between the midpoint of the cost year  
1120 through the midpoint of the rate year. The Department of Social Services  
1121 shall study methods of reimbursement for fair rent and shall report its  
1122 findings and recommendations to the joint standing committee of the  
1123 General Assembly having cognizance of matters relating to human  
1124 services on or before January 15, 1993.

1125 (8) On and after July 1, 1994, costs shall be rebased no more frequently  
1126 than every two years and no less frequently than every four years, as  
1127 determined by the commissioner. The commissioner shall determine  
1128 whether and to what extent a change in ownership of a facility shall  
1129 occasion the rebasing of the facility's costs.

1130 (9) The method of establishing rates for new facilities shall be  
1131 determined by the commissioner in accordance with the provisions of  
1132 this subsection until June 30, 2021.

1133 (10) Rates determined under this section shall comply with federal  
1134 laws and regulations.

1135 (11) Notwithstanding the provisions of this subsection, interim rates  
1136 issued for facilities on and after July 1, 1991, shall be subject to applicable  
1137 fiscal year cost component limitations established pursuant to  
1138 subdivision (3) of this subsection.

1139 (12) A chronic and convalescent nursing home having an ownership

1140 affiliation with and operated at the same location as a chronic disease  
1141 hospital may request that the commissioner approve an exception to  
1142 applicable rate-setting provisions for chronic and convalescent nursing  
1143 homes and establish a rate for the fiscal years ending June 30, 1992, and  
1144 June 30, 1993, in accordance with regulations in effect June 30, 1991. Any  
1145 such rate shall not exceed one hundred sixty-five per cent of the median  
1146 rate established for chronic and convalescent nursing homes established  
1147 under this section for the applicable fiscal year.

1148       (13) For the fiscal year ending June 30, 2014, and any succeeding fiscal  
1149 year, for purposes of computing minimum allowable patient days,  
1150 utilization of a facility's certified beds shall be determined at a minimum  
1151 of ninety per cent of capacity, except for new facilities and facilities  
1152 which are certified for additional beds which may be permitted a lower  
1153 occupancy rate for the first three months of operation after the effective  
1154 date of licensure.

1155       (14) The Commissioner of Social Services shall adjust facility rates  
1156 from April 1, 1999, to June 30, 1999, inclusive, by a per diem amount  
1157 representing each facility's allocation of funds appropriated for the  
1158 purpose of wage, benefit and staffing enhancement. A facility's per diem  
1159 allocation of such funding shall be computed as follows: (A) The  
1160 facility's direct and indirect component salary, wage, nursing pool and  
1161 allocated fringe benefit costs as filed for the 1998 cost report period  
1162 deemed allowable in accordance with this section and applicable  
1163 regulations without application of cost component maximums specified  
1164 in subdivision (3) of this subsection shall be totalled; (B) such total shall  
1165 be multiplied by the facility's Medicaid utilization based on the 1998 cost  
1166 report; (C) the resulting amount for the facility shall be divided by the  
1167 sum of the calculations specified in subparagraphs (A) and (B) of this  
1168 subdivision for all facilities to determine the facility's percentage share  
1169 of appropriated wage, benefit and staffing enhancement funding; (D)  
1170 the facility's percentage share shall be multiplied by the amount of  
1171 appropriated wage, benefit and staffing enhancement funding to  
1172 determine the facility's allocated amount; and (E) such allocated amount  
1173 shall be divided by the number of days of care paid for by Medicaid on

1174 an annual basis including days for reserved beds specified in the 1998  
1175 cost report to determine the per diem wage and benefit rate adjustment  
1176 amount. The commissioner may adjust a facility's reported 1998 cost and  
1177 utilization data for the purposes of determining a facility's share of  
1178 wage, benefit and staffing enhancement funding when reported 1998  
1179 information is not substantially representative of estimated cost and  
1180 utilization data for the fiscal year ending June 30, 2000, due to special  
1181 circumstances during the 1998 cost report period including change of  
1182 ownership with a part year cost filing or reductions in facility capacity  
1183 due to facility renovation projects. Upon completion of the calculation  
1184 of the allocation of wage, benefit and staffing enhancement funding, the  
1185 commissioner shall not adjust the allocations due to revisions submitted  
1186 to previously filed 1998 annual cost reports. In the event that a facility's  
1187 rate for the fiscal year ending June 30, 1999, is an interim rate or the rate  
1188 includes an increase adjustment due to a rate request to the  
1189 commissioner or other reasons, the commissioner may reduce or  
1190 withhold the per diem wage, benefit and staffing enhancement  
1191 allocation computed for the facility. Any enhancement allocations not  
1192 applied to facility rates shall not be reallocated to other facilities and  
1193 such unallocated amounts shall be available for the costs associated with  
1194 interim rates and other Medicaid expenditures. The wage, benefit and  
1195 staffing enhancement per diem adjustment for the period from April 1,  
1196 1999, to June 30, 1999, inclusive, shall also be applied to rates for the  
1197 fiscal years ending June 30, 2000, and June 30, 2001, except that the  
1198 commissioner may increase or decrease the adjustment to account for  
1199 changes in facility capacity or operations. Any facility accepting a rate  
1200 adjustment for wage, benefit and staffing enhancements shall apply  
1201 payments made as a result of such rate adjustment for increased  
1202 allowable employee wage rates and benefits and additional direct and  
1203 indirect component staffing. Adjustment funding shall not be applied to  
1204 wage and salary increases provided to the administrator, assistant  
1205 administrator, owners or related party employees. Enhancement  
1206 payments may be applied to increases in costs associated with staffing  
1207 purchased from staffing agencies provided such costs are deemed  
1208 necessary and reasonable by the commissioner. The commissioner shall

1209 compare expenditures for wages, benefits and staffing for the 1998 cost  
1210 report period to such expenditures in the 1999, 2000 and 2001 cost report  
1211 periods to verify whether a facility has applied additional payments to  
1212 specified enhancements. In the event that the commissioner determines  
1213 that a facility did not apply additional payments to specified  
1214 enhancements, the commissioner shall recover such amounts from the  
1215 facility through rate adjustments or other means. The commissioner  
1216 may require facilities to file cost reporting forms, in addition to the  
1217 annual cost report, as may be necessary, to verify the appropriate  
1218 application of wage, benefit and staffing enhancement rate adjustment  
1219 payments. For the purposes of this subdivision, "Medicaid utilization"  
1220 means the number of days of care paid for by Medicaid on an annual  
1221 basis including days for reserved beds as a percentage of total resident  
1222 days.

1223 [(15) The interim rate established to become effective upon sale of any  
1224 licensed chronic and convalescent home or rest home with nursing  
1225 supervision for which a receivership has been imposed pursuant to  
1226 sections 19a-541 to 19a-549, inclusive, shall not exceed the rate in effect  
1227 for the facility at the time of the imposition of the receivership, subject  
1228 to any annual increases permitted by this section; provided the  
1229 Commissioner of Social Services may, in the commissioner's discretion,  
1230 and after consultation with the receiver, establish an increased rate for  
1231 the facility if the commissioner with approval of the Secretary of the  
1232 Office of Policy and Management determines that such higher rate is  
1233 needed to keep the facility open and to ensure the health, safety and  
1234 welfare of the residents at such facility.]

1235 (g) The established interim rate to become effective upon sale of any  
1236 licensed chronic and convalescent home or rest home with nursing  
1237 supervision for which a receivership has been imposed pursuant to  
1238 sections 19a-541 to 19a-549, inclusive, shall not exceed the rate in effect  
1239 for the facility at the time of the imposition of the receivership, subject  
1240 to any annual increases permitted by this section, provided the  
1241 Commissioner of Social Services may, in the commissioner's discretion  
1242 and after consultation with the receiver, establish an increased rate for

1243 the facility if the commissioner, with the approval of the Secretary of the  
1244 Office of Policy and Management, determines that such higher rate is  
1245 needed to keep the facility open and to ensure the health, safety and  
1246 welfare of the residents at such facility.

1247 [(g)] (h) For the fiscal year ending June 30, 1993, any intermediate care  
1248 facility for individuals with intellectual disabilities with an operating  
1249 cost component of its rate in excess of one hundred forty per cent of the  
1250 median of operating cost components of rates in effect January 1, 1992,  
1251 shall not receive an operating cost component increase. For the fiscal  
1252 year ending June 30, 1993, any intermediate care facility for individuals  
1253 with intellectual disabilities with an operating cost component of its rate  
1254 that is less than one hundred forty per cent of the median of operating  
1255 cost components of rates in effect January 1, 1992, shall have an  
1256 allowance for real wage growth equal to thirty per cent of the increase  
1257 determined in accordance with subsection (q) of section 17-311-52 of the  
1258 regulations of Connecticut state agencies, provided such operating cost  
1259 component shall not exceed one hundred forty per cent of the median  
1260 of operating cost components in effect January 1, 1992. Any facility with  
1261 real property other than land placed in service prior to October 1, 1991,  
1262 shall, for the fiscal year ending June 30, 1995, receive a rate of return on  
1263 real property equal to the average of the rates of return applied to real  
1264 property other than land placed in service for the five years preceding  
1265 October 1, 1993. For the fiscal year ending June 30, 1996, and any  
1266 succeeding fiscal year, the rate of return on real property for property  
1267 items shall be revised every five years. The commissioner shall, upon  
1268 submission of a request, allow actual debt service, comprised of  
1269 principal and interest, in excess of property costs allowed pursuant to  
1270 section 17-311-52 of the regulations of Connecticut state agencies,  
1271 provided such debt service terms and amounts are reasonable in  
1272 relation to the useful life and the base value of the property. For the fiscal  
1273 year ending June 30, 1995, and any succeeding fiscal year, the inflation  
1274 adjustment made in accordance with subsection (p) of section 17-311-52  
1275 of the regulations of Connecticut state agencies shall not be applied to  
1276 real property costs. For the fiscal year ending June 30, 1996, and any

1277 succeeding fiscal year, the allowance for real wage growth, as  
1278 determined in accordance with subsection (q) of section 17-311-52 of the  
1279 regulations of Connecticut state agencies, shall not be applied. For the  
1280 fiscal year ending June 30, 1996, and any succeeding fiscal year, no rate  
1281 shall exceed three hundred seventy-five dollars per day unless the  
1282 commissioner, in consultation with the Commissioner of  
1283 Developmental Services, determines after a review of program and  
1284 management costs, that a rate in excess of this amount is necessary for  
1285 care and treatment of facility residents. For the fiscal year ending June  
1286 30, 2002, rate period, the Commissioner of Social Services shall increase  
1287 the inflation adjustment for rates made in accordance with subsection  
1288 (p) of section 17-311-52 of the regulations of Connecticut state agencies  
1289 to update allowable fiscal year 2000 costs to include a three and one-half  
1290 per cent inflation factor. For the fiscal year ending June 30, 2003, rate  
1291 period, the commissioner shall increase the inflation adjustment for  
1292 rates made in accordance with subsection (p) of section 17-311-52 of the  
1293 regulations of Connecticut state agencies to update allowable fiscal year  
1294 2001 costs to include a one and one-half per cent inflation factor, except  
1295 that such increase shall be effective November 1, 2002, and such facility  
1296 rate in effect for the fiscal year ending June 30, 2002, shall be paid for  
1297 services provided until October 31, 2002, except any facility that would  
1298 have been issued a lower rate effective July 1, 2002, than for the fiscal  
1299 year ending June 30, 2002, due to interim rate status or agreement with  
1300 the department shall be issued such lower rate effective July 1, 2002, and  
1301 have such rate updated effective November 1, 2002, in accordance with  
1302 applicable statutes and regulations. For the fiscal year ending June 30,  
1303 2004, rates in effect for the period ending June 30, 2003, shall remain in  
1304 effect, except any facility that would have been issued a lower rate  
1305 effective July 1, 2003, than for the fiscal year ending June 30, 2003, due  
1306 to interim rate status or agreement with the department shall be issued  
1307 such lower rate effective July 1, 2003. For the fiscal year ending June 30,  
1308 2005, rates in effect for the period ending June 30, 2004, shall remain in  
1309 effect until September 30, 2004. Effective October 1, 2004, each facility  
1310 shall receive a rate that is five per cent greater than the rate in effect  
1311 September 30, 2004. Effective upon receipt of all the necessary federal

1312 approvals to secure federal financial participation matching funds  
1313 associated with the rate increase provided in subdivision (4) of  
1314 subsection (f) of this section, but in no event earlier than October 1, 2005,  
1315 and provided the user fee imposed under section 17b-320 is required to  
1316 be collected, each facility shall receive a rate that is four per cent more  
1317 than the rate the facility received in the prior fiscal year, except any  
1318 facility that would have been issued a lower rate effective October 1,  
1319 2005, than for the fiscal year ending June 30, 2005, due to interim rate  
1320 status or agreement with the department, shall be issued such lower rate  
1321 effective October 1, 2005. Such rate increase shall remain in effect unless:  
1322 (1) The federal financial participation matching funds associated with  
1323 the rate increase are no longer available; or (2) the user fee created  
1324 pursuant to section 17b-320 is not in effect. For the fiscal year ending  
1325 June 30, 2007, rates in effect for the period ending June 30, 2006, shall  
1326 remain in effect until September 30, 2006, except any facility that would  
1327 have been issued a lower rate effective July 1, 2006, than for the fiscal  
1328 year ending June 30, 2006, due to interim rate status or agreement with  
1329 the department, shall be issued such lower rate effective July 1, 2006.  
1330 Effective October 1, 2006, no facility shall receive a rate that is more than  
1331 three per cent greater than the rate in effect for the facility on September  
1332 30, 2006, except any facility that would have been issued a lower rate  
1333 effective October 1, 2006, due to interim rate status or agreement with  
1334 the department, shall be issued such lower rate effective October 1, 2006.  
1335 For the fiscal year ending June 30, 2008, each facility shall receive a rate  
1336 that is two and nine-tenths per cent greater than the rate in effect for the  
1337 period ending June 30, 2007, except any facility that would have been  
1338 issued a lower rate effective July 1, 2007, than for the rate period ending  
1339 June 30, 2007, due to interim rate status, or agreement with the  
1340 department, shall be issued such lower rate effective July 1, 2007. For the  
1341 fiscal year ending June 30, 2009, rates in effect for the period ending June  
1342 30, 2008, shall remain in effect until June 30, 2009, except any facility that  
1343 would have been issued a lower rate for the fiscal year ending June 30,  
1344 2009, due to interim rate status or agreement with the department, shall  
1345 be issued such lower rate. For the fiscal years ending June 30, 2010, and  
1346 June 30, 2011, rates in effect for the period ending June 30, 2009, shall



1347 remain in effect until June 30, 2011, except any facility that would have  
1348 been issued a lower rate for the fiscal year ending June 30, 2010, or the  
1349 fiscal year ending June 30, 2011, due to interim rate status or agreement  
1350 with the department, shall be issued such lower rate. For the fiscal year  
1351 ending June 30, 2012, rates in effect for the period ending June 30, 2011,  
1352 shall remain in effect until June 30, 2012, except any facility that would  
1353 have been issued a lower rate for the fiscal year ending June 30, 2012,  
1354 due to interim rate status or agreement with the department, shall be  
1355 issued such lower rate. For the fiscal years ending June 30, 2014, and  
1356 June 30, 2015, rates shall not exceed those in effect for the period ending  
1357 June 30, 2013, except the rate paid to a facility may be higher than the  
1358 rate paid to the facility for the period ending June 30, 2013, if a capital  
1359 improvement approved by the Department of Developmental Services,  
1360 in consultation with the Department of Social Services, for the health or  
1361 safety of the residents was made to the facility during the fiscal year  
1362 ending June 30, 2014, or June 30, 2015, to the extent such rate increases  
1363 are within available appropriations. Any facility that would have been  
1364 issued a lower rate for the fiscal year ending June 30, 2014, or the fiscal  
1365 year ending June 30, 2015, due to interim rate status or agreement with  
1366 the department, shall be issued such lower rate. For the fiscal years  
1367 ending June 30, 2016, and June 30, 2017, rates shall not exceed those in  
1368 effect for the period ending June 30, 2015, except the rate paid to a  
1369 facility may be higher than the rate paid to the facility for the period  
1370 ending June 30, 2015, if a capital improvement approved by the  
1371 Department of Developmental Services, in consultation with the  
1372 Department of Social Services, for the health or safety of the residents  
1373 was made to the facility during the fiscal year ending June 30, 2016, or  
1374 June 30, 2017, to the extent such rate increases are within available  
1375 appropriations. For the fiscal years ending June 30, 2016, and June 30,  
1376 2017, and each succeeding fiscal year, any facility that would have been  
1377 issued a lower rate, due to interim rate status, a change in allowable fair  
1378 rent or agreement with the department, shall be issued such lower rate.  
1379 For the fiscal years ending June 30, 2018, and June 30, 2019, rates shall  
1380 not exceed those in effect for the period ending June 30, 2017, except the  
1381 rate paid to a facility may be higher than the rate paid to the facility for

1382 the period ending June 30, 2017, if a capital improvement approved by  
1383 the Department of Developmental Services, in consultation with the  
1384 Department of Social Services, for the health or safety of the residents  
1385 was made to the facility during the fiscal year ending June 30, 2018, or  
1386 June 30, 2019, only to the extent such rate increases are within available  
1387 appropriations. For the fiscal years ending June 30, 2020, and June 30,  
1388 2021, rates shall not exceed those in effect for the fiscal year ending June  
1389 30, 2019, except the rate paid to a facility may be higher than the rate  
1390 paid to the facility for the fiscal year ending June 30, 2019, if a capital  
1391 improvement approved by the Department of Developmental Services,  
1392 in consultation with the Department of Social Services, for the health or  
1393 safety of the residents was made to the facility during the fiscal year  
1394 ending June 30, 2020, or June 30, 2021, only to the extent such rate  
1395 increases are within available appropriations. For the fiscal years ending  
1396 June 30, 2022, and June 30, 2023, rates shall not exceed those in effect for  
1397 the fiscal year ending June 30, 2021, except the rate paid to a facility may  
1398 be higher than the rate paid to the facility for the fiscal year ending June  
1399 30, 2021, if a capital improvement approved by the Department of  
1400 Developmental Services, in consultation with the Department of Social  
1401 Services, for the health or safety of the residents was made to the facility  
1402 during the fiscal year ending June 30, 2022, or June 30, 2023, only to the  
1403 extent such rate increases are within available appropriations. Any  
1404 facility that has a significant decrease in land and building costs shall  
1405 receive a reduced rate to reflect such decrease in land and building costs.  
1406 For the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014,  
1407 June 30, 2015, June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019,  
1408 June 30, 2020, [and] June 30, 2021, June 30, 2022, and June 30, 2023, the  
1409 Commissioner of Social Services may provide fair rent increases to any  
1410 facility that has undergone a material change in circumstances related  
1411 to fair rent and has an approved certificate of need pursuant to section  
1412 17b-352, 17b-353, 17b-354 or 17b-355. Notwithstanding the provisions of  
1413 this section, the Commissioner of Social Services may, within available  
1414 appropriations, increase or decrease rates issued to intermediate care  
1415 facilities for individuals with intellectual disabilities to reflect a  
1416 reduction in available appropriations as provided in subsection (a) of

1417 this section. For the fiscal years ending June 30, 2014, and June 30, 2015,  
1418 the commissioner shall not consider rebasing in determining rates.

1419        [(h) (1)] (i) For the fiscal year ending June 30, 1993, any residential  
1420 care home with an operating cost component of its rate in excess of one  
1421 hundred thirty per cent of the median of operating cost components of  
1422 rates in effect January 1, 1992, shall not receive an operating cost  
1423 component increase. For the fiscal year ending June 30, 1993, any  
1424 residential care home with an operating cost component of its rate that  
1425 is less than one hundred thirty per cent of the median of operating cost  
1426 components of rates in effect January 1, 1992, shall have an allowance  
1427 for real wage growth equal to sixty-five per cent of the increase  
1428 determined in accordance with subsection (q) of section 17-311-52 of the  
1429 regulations of Connecticut state agencies, provided such operating cost  
1430 component shall not exceed one hundred thirty per cent of the median  
1431 of operating cost components in effect January 1, 1992. Beginning with  
1432 the fiscal year ending June 30, 1993, for the purpose of determining  
1433 allowable fair rent, a residential care home with allowable fair rent less  
1434 than the twenty-fifth percentile of the state-wide allowable fair rent shall  
1435 be reimbursed as having allowable fair rent equal to the twenty-fifth  
1436 percentile of the state-wide allowable fair rent. Beginning with the fiscal  
1437 year ending June 30, 1997, a residential care home with allowable fair  
1438 rent less than three dollars and ten cents per day shall be reimbursed as  
1439 having allowable fair rent equal to three dollars and ten cents per day.  
1440 Property additions placed in service during the cost year ending  
1441 September 30, 1996, or any succeeding cost year shall receive a fair rent  
1442 allowance for such additions as an addition to three dollars and ten  
1443 cents per day if the fair rent for the facility for property placed in service  
1444 prior to September 30, 1995, is less than or equal to three dollars and ten  
1445 cents per day. Beginning with the fiscal year ending June 30, 2016, a  
1446 residential care home shall be reimbursed the greater of the allowable  
1447 accumulated fair rent reimbursement associated with real property  
1448 additions and land as calculated on a per day basis or three dollars and  
1449 ten cents per day if the allowable reimbursement associated with real  
1450 property additions and land is less than three dollars and ten cents per

1451 day. For the fiscal year ending June 30, 1996, and any succeeding fiscal  
1452 year, the allowance for real wage growth, as determined in accordance  
1453 with subsection (q) of section 17-311-52 of the regulations of Connecticut  
1454 state agencies, shall not be applied. For the fiscal year ending June 30,  
1455 1996, and any succeeding fiscal year, the inflation adjustment made in  
1456 accordance with subsection (p) of section 17-311-52 of the regulations of  
1457 Connecticut state agencies shall not be applied to real property costs.  
1458 Beginning with the fiscal year ending June 30, 1997, minimum allowable  
1459 patient days for rate computation purposes for a residential care home  
1460 with twenty-five beds or less shall be eighty-five per cent of licensed  
1461 capacity. Beginning with the fiscal year ending June 30, 2002, for the  
1462 purposes of determining the allowable salary of an administrator of a  
1463 residential care home with sixty beds or less the department shall revise  
1464 the allowable base salary to thirty-seven thousand dollars to be annually  
1465 inflated thereafter in accordance with section 17-311-52 of the  
1466 regulations of Connecticut state agencies. The rates for the fiscal year  
1467 ending June 30, 2002, shall be based upon the increased allowable salary  
1468 of an administrator, regardless of whether such amount was expended  
1469 in the 2000 cost report period upon which the rates are based. Beginning  
1470 with the fiscal year ending June 30, 2000, and until the fiscal year ending  
1471 June 30, 2009, inclusive, the inflation adjustment for rates made in  
1472 accordance with subsection (p) of section 17-311-52 of the regulations of  
1473 Connecticut state agencies shall be increased by two per cent, and  
1474 beginning with the fiscal year ending June 30, 2002, the inflation  
1475 adjustment for rates made in accordance with subsection (c) of said  
1476 section shall be increased by one per cent. Beginning with the fiscal year  
1477 ending June 30, 1999, for the purpose of determining the allowable  
1478 salary of a related party, the department shall revise the maximum  
1479 salary to twenty-seven thousand eight hundred fifty-six dollars to be  
1480 annually inflated thereafter in accordance with section 17-311-52 of the  
1481 regulations of Connecticut state agencies and beginning with the fiscal  
1482 year ending June 30, 2001, such allowable salary shall be computed on  
1483 an hourly basis and the maximum number of hours allowed for a related  
1484 party other than the proprietor shall be increased from forty hours to  
1485 forty-eight hours per work week. For the fiscal year ending June 30,

1486 2005, each facility shall receive a rate that is two and one-quarter per  
1487 cent more than the rate the facility received in the prior fiscal year,  
1488 except any facility that would have been issued a lower rate effective  
1489 July 1, 2004, than for the fiscal year ending June 30, 2004, due to interim  
1490 rate status or agreement with the department shall be issued such lower  
1491 rate effective July 1, 2004. Effective upon receipt of all the necessary  
1492 federal approvals to secure federal financial participation matching  
1493 funds associated with the rate increase provided in subdivision (4) of  
1494 subsection (f) of this section, but in no event earlier than October 1, 2005,  
1495 and provided the user fee imposed under section 17b-320 is required to  
1496 be collected, each facility shall receive a rate that is determined in  
1497 accordance with applicable law and subject to appropriations, except  
1498 any facility that would have been issued a lower rate effective October  
1499 1, 2005, than for the fiscal year ending June 30, 2005, due to interim rate  
1500 status or agreement with the department, shall be issued such lower rate  
1501 effective October 1, 2005. Such rate increase shall remain in effect unless:  
1502 [(A)] (1) The federal financial participation matching funds associated  
1503 with the rate increase are no longer available; or [(B)] (2) the user fee  
1504 created pursuant to section 17b-320 is not in effect. For the fiscal year  
1505 ending June 30, 2007, rates in effect for the period ending June 30, 2006,  
1506 shall remain in effect until September 30, 2006, except any facility that  
1507 would have been issued a lower rate effective July 1, 2006, than for the  
1508 fiscal year ending June 30, 2006, due to interim rate status or agreement  
1509 with the department, shall be issued such lower rate effective July 1,  
1510 2006. Effective October 1, 2006, no facility shall receive a rate that is more  
1511 than four per cent greater than the rate in effect for the facility on  
1512 September 30, 2006, except for any facility that would have been issued  
1513 a lower rate effective October 1, 2006, due to interim rate status or  
1514 agreement with the department, shall be issued such lower rate effective  
1515 October 1, 2006. For the fiscal years ending June 30, 2010, and June 30,  
1516 2011, rates in effect for the period ending June 30, 2009, shall remain in  
1517 effect until June 30, 2011, except any facility that would have been issued  
1518 a lower rate for the fiscal year ending June 30, 2010, or the fiscal year  
1519 ending June 30, 2011, due to interim rate status or agreement with the  
1520 department, shall be issued such lower rate, except [(i)] (A) any facility

1521 that would have been issued a lower rate for the fiscal year ending June  
1522 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status  
1523 or agreement with the Commissioner of Social Services shall be issued  
1524 such lower rate; and [(ii)] (B) the commissioner may increase a facility's  
1525 rate for reasonable costs associated with such facility's compliance with  
1526 the provisions of section 19a-495a concerning the administration of  
1527 medication by unlicensed personnel. For the fiscal year ending June 30,  
1528 2012, rates in effect for the period ending June 30, 2011, shall remain in  
1529 effect until June 30, 2012, except that [(I)] (i) any facility that would have  
1530 been issued a lower rate for the fiscal year ending June 30, 2012, due to  
1531 interim rate status or agreement with the Commissioner of Social  
1532 Services shall be issued such lower rate; and [(II)] (ii) the commissioner  
1533 may increase a facility's rate for reasonable costs associated with such  
1534 facility's compliance with the provisions of section 19a-495a concerning  
1535 the administration of medication by unlicensed personnel. For the fiscal  
1536 year ending June 30, 2013, the Commissioner of Social Services may,  
1537 within available appropriations, provide a rate increase to a residential  
1538 care home. Any facility that would have been issued a lower rate for the  
1539 fiscal year ending June 30, 2013, due to interim rate status or agreement  
1540 with the Commissioner of Social Services shall be issued such lower  
1541 rate. For the fiscal years ending June 30, 2012, and June 30, 2013, the  
1542 Commissioner of Social Services may provide fair rent increases to any  
1543 facility that has undergone a material change in circumstances related  
1544 to fair rent and has an approved certificate of need pursuant to section  
1545 17b-352, 17b-353, 17b-354 or 17b-355. For the fiscal years ending June 30,  
1546 2014, and June 30, 2015, for those facilities that have a calculated rate  
1547 greater than the rate in effect for the fiscal year ending June 30, 2013, the  
1548 commissioner may increase facility rates based upon available  
1549 appropriations up to a stop gain as determined by the commissioner.  
1550 No facility shall be issued a rate that is lower than the rate in effect on  
1551 June 30, 2013, except that any facility that would have been issued a  
1552 lower rate for the fiscal year ending June 30, 2014, or the fiscal year  
1553 ending June 30, 2015, due to interim rate status or agreement with the  
1554 commissioner, shall be issued such lower rate. For the fiscal year ending  
1555 June 30, 2014, and each fiscal year thereafter, a residential care home

1556 shall receive a rate increase for any capital improvement made during  
1557 the fiscal year for the health and safety of residents and approved by the  
1558 Department of Social Services, provided such rate increase is within  
1559 available appropriations. For the fiscal year ending June 30, 2015, and  
1560 each succeeding fiscal year thereafter, costs of less than ten thousand  
1561 dollars that are incurred by a facility and are associated with any land,  
1562 building or nonmovable equipment repair or improvement that are  
1563 reported in the cost year used to establish the facility's rate shall not be  
1564 capitalized for a period of more than five years for rate-setting purposes.  
1565 For the fiscal year ending June 30, 2015, subject to available  
1566 appropriations, the commissioner may, at the commissioner's  
1567 discretion: Increase the inflation cost limitation under subsection (c) of  
1568 section 17-311-52 of the regulations of Connecticut state agencies,  
1569 provided such inflation allowance factor does not exceed a maximum of  
1570 five per cent; establish a minimum rate of return applied to real property  
1571 of five per cent inclusive of assets placed in service during cost year  
1572 2013; waive the standard rate of return under subsection (f) of section  
1573 17-311-52 of the regulations of Connecticut state agencies for ownership  
1574 changes or health and safety improvements that exceed one hundred  
1575 thousand dollars and that are required under a consent order from the  
1576 Department of Public Health; and waive the rate of return adjustment  
1577 under subsection (f) of section 17-311-52 of the regulations of  
1578 Connecticut state agencies to avoid financial hardship. For the fiscal  
1579 years ending June 30, 2016, and June 30, 2017, rates shall not exceed  
1580 those in effect for the period ending June 30, 2015, except the  
1581 commissioner may, in the commissioner's discretion and within  
1582 available appropriations, provide pro rata fair rent increases to facilities  
1583 which have documented fair rent additions placed in service in cost  
1584 report years ending September 30, 2014, and September 30, 2015, that  
1585 are not otherwise included in rates issued. For the fiscal years ending  
1586 June 30, 2016, and June 30, 2017, and each succeeding fiscal year, any  
1587 facility that would have been issued a lower rate, due to interim rate  
1588 status, a change in allowable fair rent or agreement with the department,  
1589 shall be issued such lower rate. For the fiscal year ending June 30, 2018,  
1590 rates shall not exceed those in effect for the period ending June 30, 2017,

1591 except the commissioner may, in the commissioner's discretion and  
1592 within available appropriations, provide pro rata fair rent increases to  
1593 facilities which have documented fair rent additions placed in service in  
1594 the cost report year ending September 30, 2016, that are not otherwise  
1595 included in rates issued. For the fiscal year ending June 30, 2019, rates  
1596 shall not exceed those in effect for the period ending June 30, 2018,  
1597 except the commissioner may, in the commissioner's discretion and  
1598 within available appropriations, provide pro rata fair rent increases to  
1599 facilities which have documented fair rent additions placed in service in  
1600 the cost report year ending September 30, 2017, that are not otherwise  
1601 included in rates issued. For the fiscal year ending June 30, 2020, rates  
1602 shall not exceed those in effect for the fiscal year ending June 30, 2019,  
1603 except the commissioner may, in the commissioner's discretion and  
1604 within available appropriations, provide pro rata fair rent increases to  
1605 facilities which have documented fair rent additions placed in service in  
1606 the cost report year ending September 30, 2018, that are not otherwise  
1607 included in rates issued. For the fiscal year ending June 30, 2021, rates  
1608 shall not exceed those in effect for the fiscal year ending June 30, 2020,  
1609 except the commissioner may, in the commissioner's discretion and  
1610 within available appropriations, provide pro rata fair rent increases to  
1611 facilities which have documented fair rent additions placed in service in  
1612 the cost report year ending September 30, 2019, that are not otherwise  
1613 included in rates issued. For the fiscal year ending June 30, 2022, rates  
1614 shall not exceed those in effect for the fiscal year ending June 30, 2021,  
1615 except the commissioner may, in the commissioner's discretion and  
1616 within available appropriations, provide pro rata fair rent increases to  
1617 facilities which have documented fair rent additions placed in service in  
1618 the cost report year ending September 30, 2020, that are not otherwise  
1619 included in rates issued. For the fiscal year ending June 30, 2023, rates  
1620 shall not exceed those in effect for the fiscal year ending June 30, 2022,  
1621 except the commissioner may, in the commissioner's discretion and  
1622 within available appropriations, provide pro rata fair rent increases to  
1623 facilities which have documented fair rent additions placed in service in  
1624 the cost report year ending September 30, 2021, that are not otherwise  
1625 included in rates issued.



1626 [(2) The commissioner shall, upon determining that a loan to be  
1627 issued to a residential care home by the Connecticut Housing Finance  
1628 Authority is reasonable in relation to the useful life and property cost  
1629 allowance pursuant to section 17-311-52 of the regulations of  
1630 Connecticut state agencies, allow actual debt service, comprised of  
1631 principal, interest and a repair and replacement reserve on the loan, in  
1632 lieu of allowed property costs whether actual debt service is higher or  
1633 lower than such allowed property costs.

1634 (i) Notwithstanding the provisions of this section, the Commissioner  
1635 of Social Services shall establish a fee schedule for payments to be made  
1636 to chronic disease hospitals associated with chronic and convalescent  
1637 nursing homes to be effective on and after July 1, 1995. The fee schedule  
1638 may be adjusted annually beginning July 1, 1997, to reflect necessary  
1639 increases in the cost of services.]

1640 (j) Notwithstanding the provisions of this section, state rates of  
1641 payment for the fiscal years ending June 30, 2018, June 30, 2019, June 30,  
1642 2020, [and] June 30, 2021, June 30, 2022, and June 30, 2023, for residential  
1643 care homes and community living arrangements that receive the flat rate  
1644 for residential services under section 17-311-54 of the regulations of  
1645 Connecticut state agencies shall be set in accordance with section [298 of  
1646 public act 19-117] 6 of this act.

1647 Sec. 9. Subsection (a) of section 19a-507 of the general statutes is  
1648 repealed and the following is substituted in lieu thereof (*Effective July 1,*  
1649 *2021*):

1650 (a) Notwithstanding the provisions of chapter 368z, New Horizons,  
1651 Inc., a nonprofit, nonsectarian organization, or a subsidiary  
1652 organization controlled by New Horizons, Inc., is authorized to  
1653 construct and operate an independent living facility for severely  
1654 physically disabled adults, in the town of Farmington, provided such  
1655 facility shall be constructed in accordance with applicable building  
1656 codes. The Farmington Housing Authority, or any issuer acting on  
1657 behalf of said authority, subject to the provisions of this section, may

1658 issue tax-exempt revenue bonds on a competitive or negotiated basis for  
1659 the purpose of providing construction and permanent mortgage  
1660 financing for the facility in accordance with Section 103 of the Internal  
1661 Revenue Code. Prior to the issuance of such bonds, plans for the  
1662 construction of the facility shall be submitted to and approved by the  
1663 Health Systems Planning Unit of the Office of Health Strategy. The unit  
1664 shall approve or disapprove such plans within thirty days of receipt  
1665 thereof. If the plans are disapproved they may be resubmitted. Failure  
1666 of the unit to act on the plans within such thirty-day period shall be  
1667 deemed approval thereof. The payments to residents of the facility who  
1668 are eligible for assistance under the state supplement program for room  
1669 and board and necessary services, shall be determined annually to be  
1670 effective July first of each year. Such payments shall be determined on a  
1671 basis of a reasonable payment for necessary services, which basis shall  
1672 take into account as a factor the costs of providing those services and  
1673 such other factors as the commissioner deems reasonable, including  
1674 anticipated fluctuations in the cost of providing services. Such payments  
1675 shall be calculated in accordance with the manner in which rates are  
1676 calculated pursuant to subsection [(h)] (i) of section 17b-340, as amended  
1677 by this act, and the cost-related reimbursement system pursuant to said  
1678 section except that efficiency incentives shall not be granted. The  
1679 commissioner may adjust such rates to account for the availability of  
1680 personal care services for residents under the Medicaid program. The  
1681 commissioner shall, upon submission of a request, allow actual debt  
1682 service, comprised of principal and interest, in excess of property costs  
1683 allowed pursuant to section 17-313b-5 of the regulations of Connecticut  
1684 state agencies, provided such debt service terms and amounts are  
1685 reasonable in relation to the useful life and the base value of the  
1686 property. The cost basis for such payment shall be subject to audit, and  
1687 a recomputation of the rate shall be made based upon such audit. The  
1688 facility shall report on a fiscal year ending on the thirtieth day of  
1689 September on forms provided by the commissioner. The required report  
1690 shall be received by the commissioner no later than December thirty-  
1691 first of each year. The Department of Social Services may use its existing  
1692 utilization review procedures to monitor utilization of the facility. If the

1693 facility is aggrieved by any decision of the commissioner, the facility  
 1694 may, within ten days, after written notice thereof from the  
 1695 commissioner, obtain by written request to the commissioner, a hearing  
 1696 on all items of aggrievement. If the facility is aggrieved by the decision  
 1697 of the commissioner after such hearing, the facility may appeal to the  
 1698 Superior Court in accordance with the provisions of section 4-183.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2021</i>	17b-104(b)
Sec. 2	<i>July 1, 2021</i>	17b-106(a)
Sec. 3	<i>August 1, 2022</i>	17b-256f
Sec. 4	<i>July 1, 2021</i>	17b-265
Sec. 5	<i>July 1, 2021</i>	17b-244
Sec. 6	<i>July 1, 2021</i>	New section
Sec. 7	<i>July 1, 2021</i>	17b-340d
Sec. 8	<i>July 1, 2021</i>	17b-340
Sec. 9	<i>July 1, 2021</i>	19a-507(a)

**Statement of Purpose:**

To implement the Governor's budget recommendations for human services.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*