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:

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 Section 17b-265 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(a) In accordance with 42 USC 1396k, the Department of Social Services shall be subrogated to any right of recovery or indemnification that an applicant or recipient of medical assistance or any legally liable relative of such applicant or recipient has against an insurer or other legally liable third party including, but not limited to, a self-insured plan, group health plan, as defined in Section 607(1) of the Employee Retirement Income Security Act of 1974, service benefit plan, managed care organization, health care center, pharmacy benefit manager, dental benefit manager, third-party administrator or other party that is, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, for the cost of all health care items or services furnished to the applicant or recipient, including, but not limited to, hospitalization, pharmaceutical services, physician services, nursing services, behavioral health services, long-term care services and other medical services, not to exceed the amount expended by the department for such care and treatment of the applicant or recipient. In
the case of such a recipient who is an enrollee in a care management organization under a Medicaid care management contract with the state or a legally liable relative of such an enrollee, the department shall be subrogated to any right of recovery or indemnification which the enrollee or legally liable relative has against such a private insurer or other third party for the medical costs incurred by the care management organization on behalf of an enrollee.

(b) An applicant or recipient or legally liable relative, by the act of the applicant's or recipient's receiving medical assistance, shall be deemed to have made a subrogation assignment and an assignment of claim for benefits to the department. The department shall inform an applicant of such assignments at the time of application. Any entitlements from a contractual agreement with an applicant or recipient, legally liable relative or a state or federal program for such medical services, not to exceed the amount expended by the department, shall be so assigned. Such entitlements shall be directly reimbursable to the department by third party payors. The Department of Social Services may assign its right to subrogation or its entitlement to benefits to a designee or a health care provider participating in the Medicaid program and providing services to an applicant or recipient, in order to assist the provider in obtaining payment for such services. In accordance with subsection (b) of section 38a-472, a provider that has received an assignment from the department shall notify the recipient's health insurer or other legally liable third party including, but not limited to, a self-insured plan, group health plan, as defined in Section 607(1) of the Employee Retirement Income Security Act of 1974, service benefit plan, managed care organization, health care center, pharmacy benefit manager, dental benefit manager, third-party administrator or other party that is, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, of the assignment upon rendition of services to the applicant or recipient. Failure to so notify the health insurer or other legally liable third party shall render the provider ineligible for payment from the department. The provider shall notify the department of any request by the applicant or recipient.
or legally liable relative or representative of such applicant or recipient for billing information. This subsection shall not be construed to affect the right of an applicant or recipient to maintain an independent cause of action against such third party tortfeasor.

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

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

(e) No self-insured plan, group health plan, as defined in Section 607(1) of the Employee Retirement Income Security Act of 1974, service benefit plan, managed care plan, or any plan offered or administered by a health care center, pharmacy benefit manager, dental benefit manager, third-party administrator or other party that is, by statute, contract or agreement, legally responsible for payment of a claim for a health care item or service, shall contain any provision that has the effect of denying or limiting enrollment benefits or excluding coverage because services are rendered to an insured or beneficiary who is eligible for or who received medical assistance under this chapter. No insurer, as defined
in section 38a-497a, shall impose requirements on the state Medicaid agency, which has been assigned the rights of an individual eligible for Medicaid and covered for health benefits from an insurer, that differ from requirements applicable to an agent or assignee of another individual so covered.

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

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

(h) On and after July 1, 2021, an insurer or other legally liable third party who has reimbursed the department for a health care item or service paid for and covered under a state medical assistance program administered by the department shall, upon determining it is not liable and at risk for cost of the health care item or service, request any refund from the department not later than twelve months from the date of its reimbursement to the department.
Sec. 2. Section 17b-340d of the general statutes is repealed and the following is substituted in lieu thereof (Effective October 1, 2021):

(a) The Commissioner of Social Services shall implement an acuity-based methodology for Medicaid reimbursement of nursing home services. [In the course of developing such a system, the commissioner shall review the skilled nursing facility prospective payment system developed by the Centers for Medicare and Medicaid Services, as well as other methodologies used nationally, and shall consider recommendations from the nursing home industry.] Notwithstanding the provisions of section 17b-340, as amended by this act, beginning on October 1, 2021, and ending on June 30, 2022, and each fiscal year ending on June thirtieth thereafter, the Commissioner of Social Services shall establish Medicaid rates paid to nursing home facilities based on cost years ending on September thirtieth in accordance with the following:

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

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

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

(4) For the period beginning on October 1, 2021, and ending on June 30, 2022, the commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending on September 30, 2019, that are not otherwise included in the rates issued.

(5) There shall be no increase to rates based on inflation or any inflationary factor for the period beginning on October 1, 2021, and ending on June 30, 2023.

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

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

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

Sec. 3. Section 17b-340 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2021):

(a) For purposes of this subsection, (1) a "related party" includes, but is not limited to, any company related to a chronic and convalescent nursing home through family association, common ownership, control or business association with any of the owners, operators or officials of such nursing home; (2) "company" means any person, partnership, association, holding company, limited liability company or corporation; (3) "family association" means a relationship by birth, marriage or domestic partnership; and (4) "profit and loss statement" means the most recent annual statement on profits and losses finalized by a related party before the annual report mandated under this subsection. The rates to be paid by or for persons aided or cared for by the state or any town in this state to licensed chronic and convalescent nursing homes, to chronic disease hospitals associated with chronic and convalescent nursing homes, to rest homes with nursing supervision, to licensed residential care homes, as defined by section 19a-490, and to residential facilities for persons with intellectual disability that are licensed pursuant to section 17a-227 and certified to participate in the Title XIX Medicaid program as intermediate care facilities for individuals with intellectual disabilities, for room, board and services specified in licensing regulations issued by the licensing agency shall be determined annually, except as otherwise provided in this subsection [, after a public hearing,] by the Commissioner of Social Services, to be effective July first of each year except as otherwise provided in this subsection. Such rates shall be determined on a basis of a reasonable payment for such necessary services, which basis shall take into account as a factor the costs of such services. Cost of such services shall include reasonable costs mandated by collective bargaining agreements with certified collective bargaining agents or other agreements between the employer and employees, provided "employees" shall not include persons
employed as managers or chief administrators or required to be licensed as nursing home administrators, and compensation for services rendered by proprietors at prevailing wage rates, as determined by application of principles of accounting as prescribed by said commissioner. Cost of such services shall not include amounts paid by the facilities to employees as salary, or to attorneys or consultants as fees, where the responsibility of the employees, attorneys, or consultants is to persuade or seek to persuade the other employees of the facility to support or oppose unionization. Nothing in this subsection shall prohibit inclusion of amounts paid for legal counsel related to the negotiation of collective bargaining agreements, the settlement of grievances or normal administration of labor relations. The commissioner may, in the commissioner's discretion, allow the inclusion of extraordinary and unanticipated costs of providing services that were incurred to avoid an immediate negative impact on the health and safety of patients. The commissioner may, in the commissioner's discretion, based upon review of a facility's costs, direct care staff to patient ratio and any other related information, revise a facility's rate for any increases or decreases to total licensed capacity of more than ten beds or changes to its number of licensed rest home with nursing supervision beds and chronic and convalescent nursing home beds. The commissioner may, in the commissioner's discretion, revise the rate of a facility that is closing. An interim rate issued for the period during which a facility is closing shall be based on a review of facility costs, the expected duration of the close-down period, the anticipated impact on Medicaid costs, available appropriations and the relationship of the rate requested by the facility to the average Medicaid rate for a close-down period. The commissioner may so revise a facility's rate established for the fiscal year ending June 30, 1993, and thereafter for any bed increases, decreases or changes in licensure effective after October 1, 1989. Effective July 1, 1991, in facilities that have both a chronic and convalescent nursing home and a rest home with nursing supervision, the rate for the rest home with nursing supervision shall not exceed such facility's rate for its chronic and convalescent nursing home. All such facilities for which rates are determined under this subsection shall
report on a fiscal year basis ending on September thirtieth. Such report shall be submitted to the commissioner by February fifteenth. Each for-profit chronic and convalescent nursing home that receives state funding pursuant to this section shall include in such annual report a profit and loss statement from each related party that receives from such chronic and convalescent nursing home fifty thousand dollars or more per year for goods, fees and services. No cause of action or liability shall arise against the state, the Department of Social Services, any state official or agent for failure to take action based on the information required to be reported under this subsection. The commissioner may reduce the rate in effect for a facility that fails to submit a complete and accurate report on or before February fifteenth by an amount not to exceed ten per cent of such rate. If a licensed residential care home fails to submit a complete and accurate report, the department shall notify such home of the failure and the home shall have thirty days from the date the notice was issued to submit a complete and accurate report. If a licensed residential care home fails to submit a complete and accurate report not later than thirty days after the date of notice, such home may not receive a retroactive rate increase, in the commissioner's discretion. The commissioner shall, annually, on or before April first, report the data contained in the reports of such facilities [to the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies] on the department's Internet web site. For the cost reporting year commencing October 1, 1985, and for subsequent cost reporting years, facilities shall report the cost of using the services of any nursing pool employee by separating said cost into two categories, the portion of the cost equal to the salary of the employee for whom the nursing pool employee is substituting shall be considered a nursing cost and any cost in excess of such salary shall be further divided so that seventy-five per cent of the excess cost shall be considered an administrative or general cost and twenty-five per cent of the excess cost shall be considered a nursing cost, provided if the total nursing pool costs of a facility for any cost year are equal to or exceed fifteen per cent of the total nursing expenditures of the facility for such cost year, no portion of nursing pool costs in excess...
of fifteen per cent shall be classified as administrative or general costs. The commissioner, in determining such rates, shall also take into account the classification of patients or boarders according to special care requirements or classification of the facility according to such factors as facilities and services and such other factors as the commissioner deems reasonable, including anticipated fluctuations in the cost of providing such services. The commissioner may establish a separate rate for a facility or a portion of a facility for traumatic brain injury patients who require extensive care but not acute general hospital care. Such separate rate shall reflect the special care requirements of such patients. If changes in federal or state laws, regulations or standards adopted subsequent to June 30, 1985, result in increased costs or expenditures in an amount exceeding one-half of one per cent of allowable costs for the most recent cost reporting year, the commissioner shall adjust rates and provide payment for any such increased reasonable costs or expenditures within a reasonable period of time retroactive to the date of enforcement. Nothing in this section shall be construed to require the Department of Social Services to adjust rates and provide payment for any increases in costs resulting from an inspection of a facility by the Department of Public Health. Such assistance as the commissioner requires from other state agencies or departments in determining rates shall be made available to the commissioner at the commissioner's request. Payment of the rates established pursuant to this section shall be conditioned on the establishment by such facilities of admissions procedures that conform with this section, section 19a-533 and all other applicable provisions of the law and the provision of equality of treatment to all persons in such facilities. The established rates shall be the maximum amount chargeable by such facilities for care of such beneficiaries, and the acceptance by or on behalf of any such facility of any additional compensation for care of any such beneficiary from any other person or source shall constitute the offense of aiding a beneficiary to obtain aid to which the beneficiary is not entitled and shall be punishable in the same manner as is provided in subsection (b) of section 17b-97. [For the fiscal year ending June 30, 1992, rates for licensed residential care homes...
and intermediate care facilities for individuals with intellectual
disabilities may receive an increase not to exceed the most recent annual
increase in the Regional Data Resources Incorporated McGraw-Hill
Health Care Costs: Consumer Price Index (all urban)-All Items. Rates
for newly certified intermediate care facilities for individuals with
intellectual disabilities shall not exceed one hundred fifty per cent of the
median rate of rates in effect on January 31, 1991, for intermediate care
facilities for individuals with intellectual disabilities certified prior to
February 1, 1991.] Notwithstanding any provision of this section, the
Commissioner of Social Services may, within available appropriations,
provide an interim rate increase for a licensed chronic and convalescent
nursing home or a rest home with nursing supervision for rate periods
no earlier than April 1, 2004, only if the commissioner determines that
the increase is necessary to avoid the filing of a petition for relief under
Title 11 of the United States Code; imposition of receivership pursuant
to sections 19a-542 and 19a-543; or substantial deterioration of the
facility's financial condition that may be expected to adversely affect
resident care and the continued operation of the facility, and the
commissioner determines that the continued operation of the facility is
in the best interest of the state. The commissioner shall consider any
requests for interim rate increases on file with the department from
March 30, 2004, and those submitted subsequently for rate periods no
earlier than April 1, 2004. When reviewing an interim rate increase
request the commissioner shall, at a minimum, consider: (A) Existing
chronic and convalescent nursing home or rest home with nursing
supervision utilization in the area and projected bed need; (B) physical
plant long-term viability and the ability of the owner or purchaser to
implement any necessary property improvements; (C) licensure and
certification compliance history; (D) reasonableness of actual and
projected expenses; and (E) the ability of the facility to meet wage and
benefit costs. No interim rate shall be increased pursuant to this
subsection in excess of one hundred fifteen per cent of the median rate
for the facility's peer grouping, established pursuant to subdivision (2)
of subsection (f) of this section, unless recommended by the
commissioner and approved by the Secretary of the Office of Policy and
Management after consultation with the commissioner. Such median rates shall be published by the Department of Social Services not later than April first of each year. In the event that a facility granted an interim rate increase pursuant to this section is sold or otherwise conveyed for value to an unrelated entity less than five years after the effective date of such rate increase, the rate increase shall be deemed rescinded and the department shall recover an amount equal to the difference between payments made for all affected rate periods and payments that would have been made if the interim rate increase was not granted. The commissioner may seek recovery of such payments from any facility with common ownership. With the approval of the Secretary of the Office of Policy and Management, the commissioner may waive recovery and rescission of the interim rate for good cause shown that is not inconsistent with this section, including, but not limited to, transfers to family members that were made for no value. The commissioner shall provide written quarterly reports to the joint standing committees of the General Assembly having cognizance of matters relating to aging, human services and appropriations and the budgets of state agencies, that identify each facility requesting an interim rate increase, the amount of the requested rate increase for each facility, the action taken by the commissioner and the secretary pursuant to this subsection, and estimates of the additional cost to the state for each approved interim rate increase. Nothing in this subsection shall prohibit the commissioner from increasing the rate of a licensed chronic and convalescent nursing home or a rest home with nursing supervision for allowable costs associated with facility capital improvements or increasing the rate in case of a sale of a licensed chronic and convalescent nursing home or a rest home with nursing supervision, pursuant to subdivision (15) of subsection (f) of this section, if receivership has been imposed on such home.

(b) [The Commissioner of Social Services shall adopt regulations in accordance with the provisions of chapter 54 to specify other allowable services. For purposes of this section, other allowable services means those services required by any medical assistance beneficiary residing...]

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in such home or hospital which are not already covered in the rate set
by the commissioner in accordance with the provisions of subsection (a)
of this section. The Commissioner of Social Services may implement
policies and procedures as necessary to carry out the provisions of this
section while in the process of adopting the policies and procedures as
regulations, provided notice of intent to adopt the regulations is
published in accordance with the provisions of section 17b-10 not later
than twenty days after the date of implementation.

(c) No facility subject to the requirements of this section shall accept
payment in excess of the rate set by the commissioner pursuant to
subsection (a) of this section for any medical assistance patient from this
or any other state. No facility shall accept payment in excess of the
reasonable and necessary costs of other allowable services as specified
by the commissioner pursuant to the regulations adopted under
subsection (b) of this section for any public assistance patient from this
or any other state. Notwithstanding the provisions of this subsection,
the commissioner may authorize a facility to accept payment in excess
of the rate paid for a medical assistance patient in this state for a patient
who receives medical assistance from another state.

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

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

(f) For the fiscal years ending on or before June 30, 2021, and for the
period beginning on July 1, 2021, and ending on September 30, 2021,
rates for nursing home facilities shall be set in accordance with this
subsection. On and after October 1, 2021, such rates shall be set in
accordance with section 17b-340d, as amended by this act. For the fiscal
year ending June 30, 1992, the rates paid by or for persons aided or cared
for by the state or any town in this state to facilities for room, board and
services specified in licensing regulations issued by the licensing
agency, except intermediate care facilities for individuals with
intellectual disabilities and residential care homes, shall be based on the
cost year ending September 30, 1989. For the fiscal years ending June 30,
1993, and June 30, 1994, such rates shall be based on the cost year ending
September 30, 1990. Such rates shall be determined by the
Commissioner of Social Services in accordance with this section and the
regulations of Connecticut state agencies promulgated by the
commissioner and in effect on April 1, 1991, except that:

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

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

(3) For the fiscal year ending June 30, 1992, per diem maximum allowable costs for each cost component shall be as follows: For direct costs, the maximum shall be equal to one hundred forty per cent of the median allowable cost of that peer grouping; for indirect costs, the maximum shall be equal to one hundred thirty per cent of the state-wide median allowable cost; for fair rent, the amount shall be calculated utilizing the amount approved by the Office of Health Care Access pursuant to section 19a-638; for capital-related costs, there shall be no maximum; and for administrative and general costs, the maximum shall be equal to one hundred twenty-five per cent of the state-wide median allowable cost. For the fiscal year ending June 30, 1993, per diem maximum allowable costs for each cost component shall be as follows: For direct costs, the maximum shall be equal to one hundred forty per cent of the median allowable cost of that peer grouping; for indirect costs, the maximum shall be equal to one hundred twenty-five per cent of the state-wide median allowable cost.
of the state-wide median allowable cost; for fair rent, the amount shall
be calculated utilizing the amount approved by the Office of Health
Care Access pursuant to section 19a-638; for capital-related costs, there
shall be no maximum; and for administrative and general costs the
maximum shall be equal to one hundred fifteen per cent of the state-
wide median allowable cost. For the fiscal year ending June 30, 1994, per
diem maximum allowable costs for each cost component shall be as
follows: For direct costs, the maximum shall be equal to one hundred
thirty-five per cent of the median allowable cost of that peer grouping;
for indirect costs, the maximum shall be equal to one hundred twenty
per cent of the state-wide median allowable cost; for fair rent, the
amount shall be calculated utilizing the amount approved by the Office
of Health Care Access pursuant to section 19a-638; for capital-related
costs, there shall be no maximum; and for administrative and general
costs the maximum shall be equal to one hundred ten per cent of the
state-wide median allowable cost. For the fiscal year ending June 30,
1995, per diem maximum allowable costs for each cost component shall
be as follows: For direct costs, the maximum shall be equal to one
hundred thirty-five per cent of the median allowable cost of that peer
grouping; for indirect costs, the maximum shall be equal to one hundred
twenty per cent of the state-wide median allowable cost; for fair rent,
the amount shall be calculated utilizing the amount approved by the
Office of Health Care Access pursuant to section 19a-638; for capital-
related costs, there shall be no maximum; and for administrative and
general costs the maximum shall be equal to one hundred five per cent
of the state-wide median allowable cost. For the fiscal year ending June
30, 1996, and any succeeding fiscal year, except for the fiscal years
ending June 30, 2000, and June 30, 2001, for facilities with an interim rate
in one or both periods, per diem maximum allowable costs for each cost
component shall be as follows: For direct costs, the maximum shall be
equal to one hundred thirty-five per cent of the median allowable cost
of that peer grouping; for indirect costs, the maximum shall be equal to
one hundred fifteen per cent of the state-wide median allowable cost;
for fair rent, the amount shall be calculated utilizing the amount
approved pursuant to section 19a-638; for capital-related costs, there
shall be no maximum; and for administrative and general costs the maximum shall be equal to the state-wide median allowable cost. For the fiscal years ending June 30, 2000, and June 30, 2001, for facilities with an interim rate in one or both periods, per diem maximum allowable costs for each cost component shall be as follows: For direct costs, the maximum shall be equal to one hundred forty-five per cent of the median allowable cost of that peer grouping; for indirect costs, the maximum shall be equal to one hundred twenty-five per cent of the state-wide median allowable cost; for fair rent, the amount shall be calculated utilizing the amount approved pursuant to section 19a-638; for capital-related costs, there shall be no maximum; and for administrative and general costs, the maximum shall be equal to the state-wide median allowable cost and such medians shall be based upon the same cost year used to set rates for facilities with prospective rates. Costs in excess of the maximum amounts established under this subsection shall not be recognized as allowable costs, except that the Commissioner of Social Services (A) may allow costs in excess of maximum amounts for any facility with patient days covered by Medicare, including days requiring coinsurance, in excess of twelve per cent of annual patient days which also has patient days covered by Medicaid in excess of fifty per cent of annual patient days; (B) may establish a pilot program whereby costs in excess of maximum amounts shall be allowed for beds in a nursing home which has a managed care program and is affiliated with a hospital licensed under chapter 368v; and (C) may establish rates whereby allowable costs may exceed such maximum amounts for beds approved on or after July 1, 1991, which are restricted to use by patients with acquired immune deficiency syndrome or traumatic brain injury.

(4) For the fiscal year ending June 30, 1992, (A) no facility shall receive a rate that is less than the rate it received for the rate year ending June 30, 1991; (B) no facility whose rate, if determined pursuant to this subsection, would exceed one hundred twenty per cent of the state-wide median rate, as determined pursuant to this subsection, shall receive a rate which is five and one-half per cent more than the rate it received for
the rate year ending June 30, 1991; and (C) no facility whose rate, if
determined pursuant to this subsection, would be less than one hundred
twenty per cent of the state-wide median rate, as determined pursuant
to this subsection, shall receive a rate which is six and one-half per cent
more than the rate it received for the rate year ending June 30, 1991. For
the fiscal year ending June 30, 1993, no facility shall receive a rate that is
less than the rate it received for the rate year ending June 30, 1992, or six
per cent more than the rate it received for the rate year ending June 30,
1992. For the fiscal year ending June 30, 1994, no facility shall receive a
rate that is less than the rate it received for the rate year ending June 30,
1993, or six per cent more than the rate it received for the rate year
ending June 30, 1993. For the fiscal year ending June 30, 1995, no facility
shall receive a rate that is more than five per cent less than the rate it
received for the rate year ending June 30, 1994, or six per cent more than
the rate it received for the rate year ending June 30, 1994. For the fiscal
years ending June 30, 1996, and June 30, 1997, no facility shall receive a
rate that is more than three per cent more than the rate it received for
the prior rate year. For the fiscal year ending June 30, 1998, a facility shall
receive a rate increase that is not more than two per cent more than the
rate that the facility received in the prior year. For the fiscal year ending
June 30, 1999, a facility shall receive a rate increase that is not more than
three per cent more than the rate that the facility received in the prior
year and that is not less than one per cent more than the rate that the
facility received in the prior year, exclusive of rate increases associated
with a wage, benefit and staffing enhancement rate adjustment added
for the period from April 1, 1999, to June 30, 1999, inclusive. For the fiscal
year ending June 30, 2000, each facility, except a facility with an interim
rate or replaced interim rate for the fiscal year ending June 30, 1999, and
a facility having a certificate of need or other agreement specifying rate
adjustments for the fiscal year ending June 30, 2000, shall receive a rate
increase equal to one per cent applied to the rate the facility received for
the fiscal year ending June 30, 1999, exclusive of the facility's wage,
benefit and staffing enhancement rate adjustment. For the fiscal year
ending June 30, 2000, no facility with an interim rate, replaced interim
rate or scheduled rate adjustment specified in a certificate of need or
other agreement for the fiscal year ending June 30, 2000, shall receive a rate increase that is more than one per cent more than the rate the facility received in the fiscal year ending June 30, 1999. For the fiscal year ending June 30, 2001, each facility, except a facility with an interim rate or replaced interim rate for the fiscal year ending June 30, 2000, and a facility having a certificate of need or other agreement specifying rate adjustments for the fiscal year ending June 30, 2001, shall receive a rate increase equal to two per cent applied to the rate the facility received for the fiscal year ending June 30, 2000, subject to verification of wage enhancement adjustments pursuant to subdivision (14) of this subsection. For the fiscal year ending June 30, 2001, no facility with an interim rate, replaced interim rate or scheduled rate adjustment specified in a certificate of need or other agreement for the fiscal year ending June 30, 2001, shall receive a rate increase that is more than two per cent more than the rate the facility received for the fiscal year ending June 30, 2000. For the fiscal year ending June 30, 2002, each facility shall receive a rate that is two and one-half per cent more than the rate the facility received in the prior fiscal year. For the fiscal year ending June 30, 2003, each facility shall receive a rate that is two per cent more than the rate the facility received in the prior fiscal year, except that such increase shall be effective January 1, 2003, and such facility rate in effect for the fiscal year ending June 30, 2002, shall be paid for services provided until December 31, 2002, except any facility that would have been issued a lower rate effective July 1, 2002, than for the fiscal year ending June 30, 2002, due to interim rate status or agreement with the department shall be issued such lower rate effective July 1, 2002, and have such rate increased two per cent effective June 1, 2003. For the fiscal year ending June 30, 2004, rates in effect for the period ending June 30, 2003, shall remain in effect, except any facility that would have been issued a lower rate effective July 1, 2003, than for the fiscal year ending June 30, 2003, due to interim rate status or agreement with the department shall be issued such lower rate effective July 1, 2003. For the fiscal year ending June 30, 2005, rates in effect for the period ending June 30, 2004, shall remain in effect until December 31, 2004, except any facility that would have been issued a lower rate effective July 1, 2004,
than for the fiscal year ending June 30, 2004, due to interim rate status
or agreement with the department shall be issued such lower rate
effective July 1, 2004. Effective January 1, 2005, each facility shall receive
a rate that is one per cent greater than the rate in effect December 31,
2004. Effective upon receipt of all the necessary federal approvals to
secure federal financial participation matching funds associated with
the rate increase provided in this subdivision, but in no event earlier
than July 1, 2005, and provided the user fee imposed under section 17b-
320 is required to be collected, for the fiscal year ending June 30, 2006,
the department shall compute the rate for each facility based upon its
2003 cost report filing or a subsequent cost year filing for facilities
having an interim rate for the period ending June 30, 2005, as provided
under section 17-311-55 of the regulations of Connecticut state agencies.
For each facility not having an interim rate for the period ending June
30, 2005, the rate for the period ending June 30, 2006, shall be determined
beginning with the higher of the computed rate based upon its 2003 cost
report filing or the rate in effect for the period ending June 30, 2005. Such
rate shall then be increased by eleven dollars and eighty cents per day
except that in no event shall the rate for the period ending June 30, 2006,
be thirty-two dollars more than the rate in effect for the period ending
June 30, 2005, and for any facility with a rate below one hundred ninety-
five dollars per day for the period ending June 30, 2005, such rate for the
period ending June 30, 2006, shall not be greater than two hundred
seventeen dollars and forty-three cents per day and for any facility with
a rate equal to or greater than one hundred ninety-five dollars per day
for the period ending June 30, 2005, such rate for the period ending June
30, 2006, shall not exceed the rate in effect for the period ending June 30,
2005, increased by eleven and one-half per cent. For each facility with
an interim rate for the period ending June 30, 2005, the interim
replacement rate for the period ending June 30, 2006, shall not exceed
the rate in effect for the period ending June 30, 2005, increased by eleven
dollars and eighty cents per day plus the per day cost of the user fee
payments made pursuant to section 17b-320 divided by annual resident
service days, except for any facility with an interim rate below one
hundred ninety-five dollars per day for the period ending June 30, 2005,
the interim replacement rate for the period ending June 30, 2006, shall not be greater than two hundred seventeen dollars and forty-three cents per day and for any facility with an interim rate equal to or greater than one hundred ninety-five dollars per day for the period ending June 30, 2005, the interim replacement rate for the period ending June 30, 2006, shall not exceed the rate in effect for the period ending June 30, 2005, increased by eleven and one-half per cent. Such July 1, 2005, rate adjustments shall remain in effect unless (i) the federal financial participation matching funds associated with the rate increase are no longer available; or (ii) the user fee created pursuant to section 17b-320 is not in effect. For the fiscal year ending June 30, 2007, each facility shall receive a rate that is three per cent greater than the rate in effect for the period ending June 30, 2006, except any facility that would have been issued a lower rate effective July 1, 2006, than for the rate period ending June 30, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2006. For the fiscal year ending June 30, 2008, each facility shall receive a rate that is two and nine-tenths per cent greater than the rate in effect for the period ending June 30, 2007, except any facility that would have been issued a lower rate effective July 1, 2007, than for the rate period ending June 30, 2007, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008, shall remain in effect until June 30, 2009, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2009, due to interim rate status or agreement with the department shall be issued such lower rate. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2012, and June 30, 2013, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2013, except any facility that would have been issued a lower rate for the fiscal year ending June 30,
2012, or the fiscal year ending June 30, 2013, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2014, the department shall determine facility rates based upon 2011 cost report filings subject to the provisions of this section and applicable regulations except: (I) A ninety per cent minimum occupancy standard shall be applied; (II) no facility shall receive a rate that is higher than the rate in effect on June 30, 2013; and (III) no facility shall receive a rate that is more than four per cent lower than the rate in effect on June 30, 2013, except that any facility that would have been issued a lower rate effective July 1, 2013, than for the rate period ending June 30, 2013, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2013. For the fiscal year ending June 30, 2015, rates in effect for the period ending June 30, 2014, shall remain in effect until June 30, 2015, except any facility that would have been issued a lower rate effective July 1, 2014, than for the rate period ending June 30, 2014, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2014. For the fiscal years ending June 30, 2016, and June 30, 2017, rates shall not exceed those in effect for the period ending June 30, 2015, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2015, if the commissioner provides, within available appropriations, pro rata fair rent increases, which may, at the discretion of the commissioner, include increases for facilities which have undergone a material change in circumstances related to fair rent additions or moveable equipment placed in service in cost report years ending September 30, 2014, and September 30, 2015, and not otherwise included in rates issued. For the fiscal years ending June 30, 2016, and June 30, 2017, and each succeeding fiscal year, any facility that would have been issued a lower rate, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2018, facilities that received a rate decrease due to the expiration of a 2015 fair rent asset shall receive a rate increase of an equivalent amount effective July 1, 2017. For the fiscal year ending June 30, 2018, the department shall determine facility rates based upon 2016 cost report filings subject to the
provisions of this section and applicable regulations, provided no facility shall receive a rate that is higher than the rate in effect on December 31, 2016, and no facility shall receive a rate that is more than two per cent lower than the rate in effect on December 31, 2016. For the fiscal year ending June 30, 2019, no facility shall receive a rate that is higher than the rate in effect on June 30, 2018, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2018, if the commissioner provides, within available appropriations, pro rata fair rent increases, which may, at the discretion of the commissioner, include increases for facilities which have undergone a material change in circumstances related to fair rent additions or moveable equipment placed in service in the cost report year ending September 30, 2017, and not otherwise included in rates issued. For the fiscal year ending June 30, 2020, the department shall determine facility rates based upon 2018 cost report filings subject to the provisions of this section, adjusted to reflect any rate increases provided after the cost report year ending September 30, 2018, and applicable regulations, provided no facility shall receive a rate that is higher than the rate in effect on June 30, 2019, except the rate paid to a facility may be higher than the rate paid to the facility for the fiscal year ending June 30, 2019, if the commissioner provides, within available appropriations, pro rata fair rent increases, which may, at the discretion of the commissioner, include increases for facilities which have undergone a material change in circumstances related to fair rent additions in the cost report year ending September 30, 2018, and are not otherwise included in rates issued. For the fiscal year ending June 30, 2020, no facility shall receive a rate that is more than two per cent lower than the rate in effect on June 30, 2019, unless the facility has an occupancy level of less than seventy per cent, as reported in the 2018 cost report, or an overall rating on Medicare's Nursing Home Compare of one star for the three most recent reporting periods as of July 1, 2019, unless the facility is under an interim rate due to new ownership. For the fiscal year ending June 30, 2021, no facility shall receive a rate that is higher than the rate in effect on June 30, 2020, except the rate paid to a facility may be higher than the rate paid to the facility for the fiscal year ending June 30, 2020, if the
commissioner provides, within available appropriations, pro rata fair
rent increases, which may, at the discretion of the commissioner, include
increases for facilities which have undergone a material change in
circumstances related to fair rent additions in the cost report year
ending September 30, 2019, and are not otherwise included in rates
issued. The Commissioner of Social Services shall add fair rent increases
to any other rate increases established pursuant to this subdivision for a
facility which has undergone a material change in circumstances related
to fair rent, except for the fiscal years ending June 30, 2010, June 30, 2011,
and June 30, 2012, such fair rent increases shall only be provided to
facilities with an approved certificate of need pursuant to section 17b-
352, 17b-353, 17b-354 or 17b-355. For the fiscal year ending June 30, 2013,
the commissioner may, within available appropriations, provide pro
rata fair rent increases for facilities which have undergone a material
change in circumstances related to fair rent additions placed in service
in cost report years ending September 30, 2008, to September 30, 2011,
inclusive, and not otherwise included in rates issued. For the fiscal years
ending June 30, 2014, and June 30, 2015, the commissioner may, within
available appropriations, provide pro rata fair rent increases, which may
include moveable equipment at the discretion of the commissioner, for
facilities which have undergone a material change in circumstances
related to fair rent additions or moveable equipment placed in service
in cost report years ending September 30, 2012, and September 30, 2013,
and not otherwise included in rates issued. The commissioner shall add
fair rent increases associated with an approved certificate of need
pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. Interim rates
may take into account reasonable costs incurred by a facility, including
wages and benefits. Notwithstanding the provisions of this section, the
Commissioner of Social Services may, subject to available
appropriations, increase or decrease rates issued to licensed chronic and
convalescent nursing homes and licensed rest homes with nursing
supervision. Notwithstanding any provision of this section, the
Commissioner of Social Services shall, effective July 1, 2015, within
available appropriations, adjust facility rates in accordance with the
application of standard accounting principles as prescribed by the
commissioner, for each facility subject to subsection (a) of this section. Such adjustment shall provide a pro-rata increase based on direct and indirect care employee salaries reported in the 2014 annual cost report, and adjusted to reflect subsequent salary increases, to reflect reasonable costs mandated by collective bargaining agreements with certified collective bargaining agents, or otherwise provided by a facility to its employees. For purposes of this subsection, "employee" shall not include a person employed as a facility's manager, chief administrator, a person required to be licensed as a nursing home administrator or any individual who receives compensation for services pursuant to a contractual arrangement and who is not directly employed by the facility. The commissioner may establish an upper limit for reasonable costs associated with salary adjustments beyond which the adjustment shall not apply. Nothing in this section shall require the commissioner to distribute such adjustments in a way that jeopardizes anticipated federal reimbursement. Facilities that receive such adjustment but do not provide increases in employee salaries as described in this subsection on or before July 31, 2015, may be subject to a rate decrease in the same amount as the adjustment by the commissioner. Of the amount appropriated for this purpose, no more than nine million dollars shall go to increases based on reasonable costs mandated by collective bargaining agreements. Notwithstanding the provisions of this subsection, effective July 1, 2019, October 1, 2020, and January 1, 2021, the commissioner shall, within available appropriations, increase rates for the purpose of wage and benefit enhancements for facility employees. The commissioner shall adjust the rate paid to the facility in the form of a rate adjustment to reflect any rate increases paid after the cost report year ending September 30, 2018. Facilities that receive a rate adjustment for the purpose of wage and benefit enhancements but do not provide increases in employee salaries as described in this subsection on or before September 30, 2019, October 31, 2020, and January 31, 2021, respectively, may be subject to a rate decrease in the same amount as the adjustment by the commissioner.

(5) For the purpose of determining allowable fair rent, a facility with
allowable fair rent less than the twenty-fifth percentile of the state-wide allowable fair rent shall be reimbursed as having allowable fair rent equal to the twenty-fifth percentile of the state-wide allowable fair rent, provided for the fiscal years ending June 30, 1996, and June 30, 1997, the reimbursement may not exceed the twenty-fifth percentile of the state-wide allowable fair rent for the fiscal year ending June 30, 1995. On and after July 1, 1998, the Commissioner of Social Services may allow minimum fair rent as the basis upon which reimbursement associated with improvements to real property is added. Beginning with the fiscal year ending June 30, 1996, any facility with a rate of return on real property other than land in excess of eleven per cent shall have such allowance revised to eleven per cent. Any facility or its related realty affiliate which finances or refines debt through bonds issued by the State of Connecticut Health and Education Facilities Authority shall report the terms and conditions of such financing or refinancing to the Commissioner of Social Services within thirty days of completing such financing or refinancing. The Commissioner of Social Services may revise the facility's fair rent component of its rate to reflect any financial benefit the facility or its related realty affiliate received as a result of such financing or refinancing, including but not limited to, reductions in the amount of debt service payments or period of debt repayment. The commissioner shall allow actual debt service costs for bonds issued by the State of Connecticut Health and Educational Facilities Authority if such costs do not exceed property costs allowed pursuant to subsection (f) of section 17-311-52 of the regulations of Connecticut state agencies, provided the commissioner may allow higher debt service costs for such bonds for good cause. For facilities which first open on or after October 1, 1992, the commissioner shall determine allowable fair rent for real property other than land based on the rate of return for the cost year in which such bonds were issued. The financial benefit resulting from a facility financing or refinancing debt through such bonds shall be shared between the state and the facility to an extent determined by the commissioner on a case-by-case basis and shall be reflected in an adjustment to the facility's allowable fair rent.
(6) A facility shall receive cost efficiency adjustments for indirect costs and for administrative and general costs if such costs are below the state-wide median costs. The cost efficiency adjustments shall equal twenty-five per cent of the difference between allowable reported costs and the applicable median allowable cost established pursuant to this subdivision.

(7) For the fiscal year ending June 30, 1992, allowable operating costs, excluding fair rent, shall be inflated using the Regional Data Resources Incorporated McGraw-Hill Health Care Costs: Consumer Price Index (all urban)-All Items minus one and one-half per cent. For the fiscal year ending June 30, 1993, allowable operating costs, excluding fair rent, shall be inflated using the Regional Data Resources Incorporated McGraw-Hill Health Care Costs: Consumer Price Index (all urban)-All Items minus one and three-quarters per cent. For the fiscal years ending June 30, 1994, and June 30, 1995, allowable operating costs, excluding fair rent, shall be inflated using the Regional Data Resources Incorporated McGraw-Hill Health Care Costs: Consumer Price Index (all urban)-All Items minus two per cent. For the fiscal year ending June 30, 1996, allowable operating costs, excluding fair rent, shall be inflated using the Regional Data Resources Incorporated McGraw-Hill Health Care Costs: Consumer Price Index (all urban)-All Items minus two and one-half per cent. For the fiscal year ending June 30, 1997, allowable operating costs, excluding fair rent, shall be inflated using the Regional Data Resources Incorporated McGraw-Hill Health Care Costs: Consumer Price Index (all urban)-All Items minus three and one-half per cent. For the fiscal year ending June 30, 1992, and any succeeding fiscal year, allowable fair rent shall be those reported in the annual report of long-term care facilities for the cost year ending the immediately preceding September thirtieth. The inflation index to be used pursuant to this subsection shall be computed to reflect inflation between the midpoint of the cost year through the midpoint of the rate year. The Department of Social Services shall study methods of reimbursement for fair rent and shall report its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to human
services on or before January 15, 1993.

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

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

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

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

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

(13) For the fiscal year ending June 30, 2014, and any succeeding fiscal year, for purposes of computing minimum allowable patient days, utilization of a facility's certified beds shall be determined at a minimum of ninety per cent of capacity, except for new facilities and facilities which are certified for additional beds which may be permitted a lower occupancy rate for the first three months of operation after the effective date of licensure.
(14) The Commissioner of Social Services shall adjust facility rates from April 1, 1999, to June 30, 1999, inclusive, by a per diem amount representing each facility’s allocation of funds appropriated for the purpose of wage, benefit and staffing enhancement. A facility’s per diem allocation of such funding shall be computed as follows: (A) The facility’s direct and indirect component salary, wage, nursing pool and allocated fringe benefit costs as filed for the 1998 cost report period deemed allowable in accordance with this section and applicable regulations without application of cost component maximums specified in subdivision (3) of this subsection shall be totalled; (B) such total shall be multiplied by the facility’s Medicaid utilization based on the 1998 cost report; (C) the resulting amount for the facility shall be divided by the sum of the calculations specified in subparagraphs (A) and (B) of this subdivision for all facilities to determine the facility’s percentage share of appropriated wage, benefit and staffing enhancement funding; (D) the facility’s percentage share shall be multiplied by the amount of appropriated wage, benefit and staffing enhancement funding to determine the facility’s allocated amount; and (E) such allocated amount shall be divided by the number of days of care paid for by Medicaid on an annual basis including days for reserved beds specified in the 1998 cost report to determine the per diem wage and benefit rate adjustment amount. The commissioner may adjust a facility’s reported 1998 cost and utilization data for the purposes of determining a facility’s share of wage, benefit and staffing enhancement funding when reported 1998 information is not substantially representative of estimated cost and utilization data for the fiscal year ending June 30, 2000, due to special circumstances during the 1998 cost report period including change of ownership with a part year cost filing or reductions in facility capacity due to facility renovation projects. Upon completion of the calculation of the allocation of wage, benefit and staffing enhancement funding, the commissioner shall not adjust the allocations due to revisions submitted to previously filed 1998 annual cost reports. In the event that a facility’s rate for the fiscal year ending June 30, 1999, is an interim rate or the rate includes an increase adjustment due to a rate request to the commissioner or other reasons, the commissioner may reduce or
withhold the per diem wage, benefit and staffing enhancement allocation computed for the facility. Any enhancement allocations not applied to facility rates shall not be reallocated to other facilities and such unallocated amounts shall be available for the costs associated with interim rates and other Medicaid expenditures. The wage, benefit and staffing enhancement per diem adjustment for the period from April 1, 1999, to June 30, 1999, inclusive, shall also be applied to rates for the fiscal years ending June 30, 2000, and June 30, 2001, except that the commissioner may increase or decrease the adjustment to account for changes in facility capacity or operations. Any facility accepting a rate adjustment for wage, benefit and staffing enhancements shall apply payments made as a result of such rate adjustment for increased allowable employee wage rates and benefits and additional direct and indirect component staffing. Adjustment funding shall not be applied to wage and salary increases provided to the administrator, assistant administrator, owners or related party employees. Enhancement payments may be applied to increases in costs associated with staffing purchased from staffing agencies provided such costs are deemed necessary and reasonable by the commissioner. The commissioner shall compare expenditures for wages, benefits and staffing for the 1998 cost report period to such expenditures in the 1999, 2000 and 2001 cost report periods to verify whether a facility has applied additional payments to specified enhancements. In the event that the commissioner determines that a facility did not apply additional payments to specified enhancements, the commissioner shall recover such amounts from the facility through rate adjustments or other means. The commissioner may require facilities to file cost reporting forms, in addition to the annual cost report, as may be necessary, to verify the appropriate application of wage, benefit and staffing enhancement rate adjustment payments. For the purposes of this subdivision, "Medicaid utilization" means the number of days of care paid for by Medicaid on an annual basis including days for reserved beds as a percentage of total resident days.

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

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

[(g) (h) For the fiscal year ending June 30, 1993, any intermediate care
facility for individuals with intellectual disabilities with an operating
cost component of its rate in excess of one hundred forty per cent of the
median of operating cost components of rates in effect January 1, 1992,
shall not receive an operating cost component increase. For the fiscal
year ending June 30, 1993, any intermediate care facility for individuals
with intellectual disabilities with an operating cost component of its rate
that is less than one hundred forty per cent of the median of operating
cost components of rates in effect January 1, 1992, shall have an
allowance for real wage growth equal to thirty per cent of the increase
determined in accordance with subsection (q) of section 17-311-52 of the regulations of Connecticut state agencies, provided such operating cost component shall not exceed one hundred forty per cent of the median of operating cost components in effect January 1, 1992. Any facility with real property other than land placed in service prior to October 1, 1991, shall, for the fiscal year ending June 30, 1995, receive a rate of return on real property equal to the average of the rates of return applied to real property other than land placed in service for the five years preceding October 1, 1993. For the fiscal year ending June 30, 1996, and any succeeding fiscal year, the rate of return on real property for property items shall be revised every five years. The commissioner shall, upon submission of a request, allow actual debt service, comprised of principal and interest, in excess of property costs allowed pursuant to section 17-311-52 of the regulations of Connecticut state agencies, provided such debt service terms and amounts are reasonable in relation to the useful life and the base value of the property. For the fiscal year ending June 30, 1995, and any succeeding fiscal year, the inflation adjustment made in accordance with subsection (p) of section 17-311-52 of the regulations of Connecticut state agencies shall not be applied to real property costs. For the fiscal year ending June 30, 1996, and any succeeding fiscal year, the allowance for real wage growth, as determined in accordance with subsection (q) of section 17-311-52 of the regulations of Connecticut state agencies, shall not be applied. For the fiscal year ending June 30, 1996, and any succeeding fiscal year, no rate shall exceed three hundred seventy-five dollars per day unless the commissioner, in consultation with the Commissioner of Developmental Services, determines after a review of program and management costs, that a rate in excess of this amount is necessary for care and treatment of facility residents. For the fiscal year ending June 30, 2002, rate period, the Commissioner of Social Services shall increase the inflation adjustment for rates made in accordance with subsection (p) of section 17-311-52 of the regulations of Connecticut state agencies to update allowable fiscal year 2000 costs to include a three and one-half per cent inflation factor. For the fiscal year ending June 30, 2003, rate period, the commissioner shall increase the inflation adjustment for
rates made in accordance with subsection (p) of section 17-311-52 of the
regulations of Connecticut state agencies to update allowable fiscal year
2001 costs to include a one and one-half per cent inflation factor, except
that such increase shall be effective November 1, 2002, and such facility
rate in effect for the fiscal year ending June 30, 2002, shall be paid for
services provided until October 31, 2002, except any facility that would
have been issued a lower rate effective July 1, 2002, than for the fiscal
year ending June 30, 2002, due to interim rate status or agreement with
the department shall be issued such lower rate effective July 1, 2002, and
have such rate updated effective November 1, 2002, in accordance with
applicable statutes and regulations. For the fiscal year ending June 30,
2004, rates in effect for the period ending June 30, 2003, shall remain in
effect, except any facility that would have been issued a lower rate
effective July 1, 2003, than for the fiscal year ending June 30, 2003, due
to interim rate status or agreement with the department shall be issued
such lower rate effective July 1, 2003. For the fiscal year ending June 30,
2005, rates in effect for the period ending June 30, 2004, shall remain in
effect until September 30, 2004. Effective October 1, 2004, each facility
shall receive a rate that is five per cent greater than the rate in effect
September 30, 2004. Effective upon receipt of all the necessary federal
approvals to secure federal financial participation matching funds
associated with the rate increase provided in subdivision (4) of
subsection (f) of this section, but in no event earlier than October 1, 2005,
and provided the user fee imposed under section 17b-320 is required to
be collected, each facility shall receive a rate that is four per cent more
than the rate the facility received in the prior fiscal year, except any
facility that would have been issued a lower rate effective October 1,
2005, than for the fiscal year ending June 30, 2005, due to interim rate
status or agreement with the department, shall be issued such lower rate
effective October 1, 2005. Such rate increase shall remain in effect unless:
(1) The federal financial participation matching funds associated with
the rate increase are no longer available; or (2) the user fee created
pursuant to section 17b-320 is not in effect. For the fiscal year ending
June 30, 2007, rates in effect for the period ending June 30, 2006, shall
remain in effect until September 30, 2006, except any facility that would
have been issued a lower rate effective July 1, 2006, than for the fiscal year ending June 30, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective July 1, 2006.

Effective October 1, 2006, no facility shall receive a rate that is more than three per cent greater than the rate in effect for the facility on September 30, 2006, except any facility that would have been issued a lower rate effective October 1, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2006.

For the fiscal year ending June 30, 2008, each facility shall receive a rate that is two and nine-tenths per cent greater than the rate in effect for the period ending June 30, 2007, except any facility that would have been issued a lower rate effective July 1, 2007, than for the rate period ending June 30, 2007, due to interim rate status, or agreement with the department, shall be issued such lower rate effective July 1, 2007. For the fiscal year ending June 30, 2009, rates in effect for the period ending June 30, 2008, shall remain in effect until June 30, 2009, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2009, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2012, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2012, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2012, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2014, and June 30, 2015, rates shall not exceed those in effect for the period ending June 30, 2013, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2013, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year.
ending June 30, 2014, or June 30, 2015, to the extent such rate increases are within available appropriations. Any facility that would have been issued a lower rate for the fiscal year ending June 30, 2014, or the fiscal year ending June 30, 2015, due to interim rate status or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2016, and June 30, 2017, rates shall not exceed those in effect for the period ending June 30, 2015, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2015, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2016, or June 30, 2017, to the extent such rate increases are within available appropriations. For the fiscal years ending June 30, 2016, and June 30, 2017, and each succeeding fiscal year, any facility that would have been issued a lower rate, due to interim rate status, a change in allowable fair rent or agreement with the department, shall be issued such lower rate. For the fiscal years ending June 30, 2018, and June 30, 2019, rates shall not exceed those in effect for the period ending June 30, 2017, except the rate paid to a facility may be higher than the rate paid to the facility for the period ending June 30, 2017, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2018, or June 30, 2019, only to the extent such rate increases are within available appropriations. For the fiscal years ending June 30, 2020, and June 30, 2021, rates shall not exceed those in effect for the fiscal year ending June 30, 2019, except the rate paid to a facility may be higher than the rate paid to the facility for the fiscal year ending June 30, 2019, if a capital improvement approved by the Department of Developmental Services, in consultation with the Department of Social Services, for the health or safety of the residents was made to the facility during the fiscal year ending June 30, 2020, or June 30, 2021, only to the extent such rate increases are within available appropriations. Any facility that has a significant decrease in land and building costs shall receive a reduced
rate to reflect such decrease in land and building costs. For the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017, June 30, 2018, June 30, 2019, June 30, 2020, [and] June 30, 2021, June 30, 2022, and June 30, 2023, the Commissioner of Social Services may provide fair rent increases to any facility that has undergone a material change in circumstances related to fair rent and has an approved certificate of need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. Notwithstanding the provisions of this section, the Commissioner of Social Services may, within available appropriations, increase or decrease rates issued to intermediate care facilities for individuals with intellectual disabilities to reflect a reduction in available appropriations as provided in subsection (a) of this section. For the fiscal years ending June 30, 2014, and June 30, 2015, the commissioner shall not consider rebasing in determining rates.

[(h) (1)] (i) For the fiscal year ending June 30, 1993, any residential care home with an operating cost component of its rate in excess of one hundred thirty per cent of the median of operating cost components of rates in effect January 1, 1992, shall not receive an operating cost component increase. For the fiscal year ending June 30, 1993, any residential care home with an operating cost component of its rate that is less than one hundred thirty per cent of the median of operating cost components of rates in effect January 1, 1992, shall have an allowance for real wage growth equal to sixty-five per cent of the increase determined in accordance with subsection (q) of section 17-311-52 of the regulations of Connecticut state agencies, provided such operating cost component shall not exceed one hundred thirty per cent of the median of operating cost components in effect January 1, 1992. Beginning with the fiscal year ending June 30, 1993, for the purpose of determining allowable fair rent, a residential care home with allowable fair rent less than the twenty-fifth percentile of the state-wide allowable fair rent shall be reimbursed as having allowable fair rent equal to the twenty-fifth percentile of the state-wide allowable fair rent. Beginning with the fiscal year ending June 30, 1997, a residential care home with allowable fair rent less than three dollars and ten cents per day shall be reimbursed as
having allowable fair rent equal to three dollars and ten cents per day. Property additions placed in service during the cost year ending September 30, 1996, or any succeeding cost year shall receive a fair rent allowance for such additions as an addition to three dollars and ten cents per day if the fair rent for the facility for property placed in service prior to September 30, 1995, is less than or equal to three dollars and ten cents per day. Beginning with the fiscal year ending June 30, 2016, a residential care home shall be reimbursed the greater of the allowable accumulated fair rent reimbursement associated with real property additions and land as calculated on a per day basis or three dollars and ten cents per day if the allowable reimbursement associated with real property additions and land is less than three dollars and ten cents per day. For the fiscal year ending June 30, 1996, and any succeeding fiscal year, the allowance for real wage growth, as determined in accordance with subsection (q) of section 17-311-52 of the regulations of Connecticut state agencies, shall not be applied. For the fiscal year ending June 30, 1996, and any succeeding fiscal year, the inflation adjustment made in accordance with subsection (p) of section 17-311-52 of the regulations of Connecticut state agencies shall not be applied to real property costs. Beginning with the fiscal year ending June 30, 1997, minimum allowable patient days for rate computation purposes for a residential care home with twenty-five beds or less shall be eighty-five per cent of licensed capacity. Beginning with the fiscal year ending June 30, 2002, for the purposes of determining the allowable salary of an administrator of a residential care home with sixty beds or less the department shall revise the allowable base salary to thirty-seven thousand dollars to be annually inflated thereafter in accordance with section 17-311-52 of the regulations of Connecticut state agencies. The rates for the fiscal year ending June 30, 2002, shall be based upon the increased allowable salary of an administrator, regardless of whether such amount was expended in the 2000 cost report period upon which the rates are based. Beginning with the fiscal year ending June 30, 2000, and until the fiscal year ending June 30, 2009, inclusive, the inflation adjustment for rates made in accordance with subsection (p) of section 17-311-52 of the regulations of Connecticut state agencies shall be increased by two per cent, and
beginning with the fiscal year ending June 30, 2002, the inflation 
adjustment for rates made in accordance with subsection (c) of said 
section shall be increased by one per cent. Beginning with the fiscal year 
ending June 30, 1999, for the purpose of determining the allowable 
salary of a related party, the department shall revise the maximum 
salary to twenty-seven thousand eight hundred fifty-six dollars to be 
annually inflated thereafter in accordance with section 17-311-52 of the 
regulations of Connecticut state agencies and beginning with the fiscal 
year ending June 30, 2001, such allowable salary shall be computed on 
an hourly basis and the maximum number of hours allowed for a related 
party other than the proprietor shall be increased from forty hours to 
fifty-eight hours per work week. For the fiscal year ending June 30, 
2005, each facility shall receive a rate that is two and one-quarter per 
cent more than the rate the facility received in the prior fiscal year, 
ext except any facility that would have been issued a lower rate effective 
July 1, 2004, than for the fiscal year ending June 30, 2004, due to interim 
rate status or agreement with the department shall be issued such lower 
rate effective July 1, 2004. Effective upon receipt of all the necessary 
federal approvals to secure federal financial participation matching 
funds associated with the rate increase provided in subdivision (4) of 
subsection (f) of this section, but in no event earlier than October 1, 2005, 
and provided the user fee imposed under section 17b-320 is required to 
be collected, each facility shall receive a rate that is determined in 
accordance with applicable law and subject to appropriations, except 
any facility that would have been issued a lower rate effective October 
1, 2005, than for the fiscal year ending June 30, 2005, due to interim rate 
status or agreement with the department, shall be issued such lower rate 
effective October 1, 2005. Such rate increase shall remain in effect unless: 
[(A)] [(1)] The federal financial participation matching funds associated 
with the rate increase are no longer available; or [(B)] [(2)] the user fee 
created pursuant to section 17b-320 is not in effect. For the fiscal year 
ending June 30, 2007, rates in effect for the period ending June 30, 2006, 
shall remain in effect until September 30, 2006, except any facility that 
would have been issued a lower rate effective July 1, 2006, than for the 
fiscal year ending June 30, 2006, due to interim rate status or agreement
with the department, shall be issued such lower rate effective July 1, 2006. Effective October 1, 2006, no facility shall receive a rate that is more than four per cent greater than the rate in effect for the facility on September 30, 2006, except for any facility that would have been issued a lower rate effective October 1, 2006, due to interim rate status or agreement with the department, shall be issued such lower rate effective October 1, 2006. For the fiscal years ending June 30, 2010, and June 30, 2011, rates in effect for the period ending June 30, 2009, shall remain in effect until June 30, 2011, except any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the department, shall be issued such lower rate, except [(i)] (A) any facility that would have been issued a lower rate for the fiscal year ending June 30, 2010, or the fiscal year ending June 30, 2011, due to interim rate status or agreement with the Commissioner of Social Services shall be issued such lower rate; and [(ii)] (B) the commissioner may increase a facility's rate for reasonable costs associated with such facility's compliance with the provisions of section 19a-495a concerning the administration of medication by unlicensed personnel. For the fiscal year ending June 30, 2012, rates in effect for the period ending June 30, 2011, shall remain in effect until June 30, 2012, except that [(I)] (i) any facility that would have been issued a lower rate for the fiscal year ending June 30, 2012, due to interim rate status or agreement with the Commissioner of Social Services shall be issued such lower rate; and [(II)] (ii) the commissioner may increase a facility's rate for reasonable costs associated with such facility's compliance with the provisions of section 19a-495a concerning the administration of medication by unlicensed personnel. For the fiscal year ending June 30, 2013, the Commissioner of Social Services may, within available appropriations, provide a rate increase to a residential care home. Any facility that would have been issued a lower rate for the fiscal year ending June 30, 2013, due to interim rate status or agreement with the Commissioner of Social Services shall be issued such lower rate. For the fiscal years ending June 30, 2012, and June 30, 2013, the Commissioner of Social Services may provide fair rent increases to any facility that has undergone a material change in circumstances related
to fair rent and has an approved certificate of need pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. For the fiscal years ending June 30, 2014, and June 30, 2015, for those facilities that have a calculated rate greater than the rate in effect for the fiscal year ending June 30, 2013, the commissioner may increase facility rates based upon available appropriations up to a stop gain as determined by the commissioner. No facility shall be issued a rate that is lower than the rate in effect on June 30, 2013, except that any facility that would have been issued a lower rate for the fiscal year ending June 30, 2014, or the fiscal year ending June 30, 2015, due to interim rate status or agreement with the commissioner, shall be issued such lower rate. For the fiscal year ending June 30, 2014, and each fiscal year thereafter, a residential care home shall receive a rate increase for any capital improvement made during the fiscal year for the health and safety of residents and approved by the Department of Social Services, provided such rate increase is within available appropriations. For the fiscal year ending June 30, 2015, and each succeeding fiscal year thereafter, costs of less than ten thousand dollars that are incurred by a facility and are associated with any land, building or nonmovable equipment repair or improvement that are reported in the cost year used to establish the facility's rate shall not be capitalized for a period of more than five years for rate-setting purposes. For the fiscal year ending June 30, 2015, subject to available appropriations, the commissioner may, at the commissioner's discretion: Increase the inflation cost limitation under subsection (c) of section 17-311-52 of the regulations of Connecticut state agencies, provided such inflation allowance factor does not exceed a maximum of five per cent; establish a minimum rate of return applied to real property of five per cent inclusive of assets placed in service during cost year 2013; waive the standard rate of return under subsection (f) of section 17-311-52 of the regulations of Connecticut state agencies for ownership changes or health and safety improvements that exceed one hundred thousand dollars and that are required under a consent order from the Department of Public Health; and waive the rate of return adjustment under subsection (f) of section 17-311-52 of the regulations of Connecticut state agencies to avoid financial hardship. For the fiscal
years ending June 30, 2016, and June 30, 2017, rates shall not exceed those in effect for the period ending June 30, 2015, except the commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in cost report years ending September 30, 2014, and September 30, 2015, that are not otherwise included in rates issued. For the fiscal years ending June 30, 2016, and June 30, 2017, and each succeeding fiscal year, any facility that would have been issued a lower rate, due to interim rate status, a change in allowable fair rent or agreement with the department, shall be issued such lower rate. For the fiscal year ending June 30, 2018, rates shall not exceed those in effect for the period ending June 30, 2017, except the commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending September 30, 2016, that are not otherwise included in rates issued. For the fiscal year ending June 30, 2019, rates shall not exceed those in effect for the period ending June 30, 2018, except the commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending September 30, 2017, that are not otherwise included in rates issued. For the fiscal year ending June 30, 2020, rates shall not exceed those in effect for the fiscal year ending June 30, 2019, except the commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending September 30, 2018, that are not otherwise included in rates issued. For the fiscal year ending June 30, 2021, rates shall not exceed those in effect for the fiscal year ending June 30, 2020, except the commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending September 30, 2019, that are not otherwise included in rates issued. For the fiscal year ending June 30, 2022, the
commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending September 30, 2020, that are not otherwise included in rates issued. For the fiscal year ending June 30, 2023, the commissioner may, in the commissioner's discretion and within available appropriations, provide pro rata fair rent increases to facilities which have documented fair rent additions placed in service in the cost report year ending September 30, 2021, that are not otherwise included in rates issued.

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

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

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

Sec. 4. Subsection (a) of section 19a-507 of the general statutes is repealed and the following is substituted in lieu thereof (Effective July 1, 2023):

Sec. 19a-507. Payment for Residential Services. As used in this section, "residential care home" means any private, not-for-profit entity which is licensed by the commissioner under the provisions of sections 17-311-51 to 17-311-58, inclusive, to provide residential care services to the elderly and disabled, or to the elderly and disabled with children, except that the term shall not include (a) any entity licensed under section 19a-218 to provide personal care services; (b) any entity providing residential services to non-elderly or non-disabled persons; (c) any entity providing adult family day care services; or (d) any entity providing services for incarcerated individuals.

Sec. 19a-507a. Minutes of meetings. The minutes of any meeting of the advisory committee, representing residential care homes, shall provide the name of each entity represented and the number of votes cast on each issue. The minutes shall be available to any interested person upon the request to the chairman of the advisory committee.

Sec. 19a-507b. Payment for services. (R 8/8/82) Effective July 1, 2021, the commissioner shall establish payment rates for the fiscal year ending June 30, 2021, that are not otherwise included in rates issued. The rate for each residential care home shall be calculated on the basis of the following:

(i) The number of residents in the residential care home, multiplied by the number of days the residents were in the residential care home during the year, multiplied by the rate per day per resident, which shall be established by the commissioner, subject to the approval of the commissioner of social services.

(ii) The number of days the residents were in the residential care home during the year, multiplied by the rate per day per resident, which shall be established by the commissioner, subject to the approval of the commissioner of social services.

(iii) The number of days the residents were in the residential care home during the year, multiplied by the rate per day per resident, which shall be established by the commissioner, subject to the approval of the commissioner of social services.

The rates established by the commissioner shall be in accordance with section 17-311-52 of the regulations of Connecticut state agencies.
(a) Notwithstanding the provisions of chapter 368z, New Horizons, Inc., a nonprofit, nonsectarian organization, or a subsidiary organization controlled by New Horizons, Inc., is authorized to construct and operate an independent living facility for severely physically disabled adults, in the town of Farmington, provided such facility shall be constructed in accordance with applicable building codes. The Farmington Housing Authority, or any issuer acting on behalf of said authority, subject to the provisions of this section, may issue tax-exempt revenue bonds on a competitive or negotiated basis for the purpose of providing construction and permanent mortgage financing for the facility in accordance with Section 103 of the Internal Revenue Code. Prior to the issuance of such bonds, plans for the construction of the facility shall be submitted to and approved by the Health Systems Planning Unit of the Office of Health Strategy. The unit shall approve or disapprove such plans within thirty days of receipt thereof. If the plans are disapproved they may be resubmitted. Failure of the unit to act on the plans within such thirty-day period shall be deemed approval thereof. The payments to residents of the facility who are eligible for assistance under the state supplement program for room and board and necessary services, shall be determined annually to be effective July first of each year. Such payments shall be determined on a basis of a reasonable payment for necessary services, which basis shall take into account as a factor the costs of providing those services and such other factors as the commissioner deems reasonable, including anticipated fluctuations in the cost of providing services. Such payments shall be calculated in accordance with the manner in which rates are calculated pursuant to subsection [(h)] [(i)] of section 17b-340, as amended by this act, and the cost-related reimbursement system pursuant to said section except that efficiency incentives shall not be granted. The commissioner may adjust such rates to account for the availability of personal care services for residents under the Medicaid program. The commissioner shall, upon submission of a request, allow actual debt service, comprised of principal and interest, in excess of property costs.
allowed pursuant to section 17-313b-5 of the regulations of Connecticut state agencies, provided such debt service terms and amounts are reasonable in relation to the useful life and the base value of the property. The cost basis for such payment shall be subject to audit, and a recomputation of the rate shall be made based upon such audit. The facility shall report on a fiscal year ending on the thirtieth day of September on forms provided by the commissioner. The required report shall be received by the commissioner no later than December thirty-first of each year. The Department of Social Services may use its existing utilization review procedures to monitor utilization of the facility. If the facility is aggrieved by any decision of the commissioner, the facility may, within ten days, after written notice thereof from the commissioner, obtain by written request to the commissioner, a hearing on all items of aggrievement. If the facility is aggrieved by the decision of the commissioner after such hearing, the facility may appeal to the Superior Court in accordance with the provisions of section 4-183.

This act shall take effect as follows and shall amend the following sections:

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<thead>
<tr>
<th>Section</th>
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<tbody>
<tr>
<td>Section 1</td>
<td>July 1, 2021</td>
<td>17b-265</td>
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<tr>
<td>Sec. 2</td>
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<td>17b-340d</td>
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<tr>
<td>Sec. 3</td>
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<tr>
<td>Sec. 4</td>
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HS Joint Favorable Subst.