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## OLR Bill Analysis

### SB 281

#### ***AN ACT CONCERNING PENALTIES FOR UNAUTHORIZED USE OF RATE INCREASES EARMARKED FOR STAFF WAGE ENHANCEMENTS AT NURSING HOME FACILITIES.***

#### **SUMMARY**

This bill allows the Department of Social Services (DSS) to assess a civil penalty on a nursing home that receives a rate increase to enhance its employees' wages but fails to use it for that purpose. The civil penalty is in addition to any applicable recoupment or rate decrease the law otherwise allows.

Before assessing a civil penalty, the bill requires DSS to complete a department audit in accordance with the nursing home's Medicaid provider enrollment agreements. The bill limits the civil penalty to half the total dollar amount of the rate increase the nursing home received but did not use to enhance employee wages. It authorizes DSS, in the department's sole discretion, to enter a recoupment schedule with a nursing home so as not to negatively impact patient care. Nursing homes subject to a civil penalty may request a rehearing under provisions in existing law (see BACKGROUND).

DSS's authorization to assess civil penalties under the bill applies to rate increases nursing homes receive before the bill's effective date under last year's budget (PA 21-2, June Special Session, § 323). That act required DSS to increase nursing home rates by 4.5% in both FY 22 and FY 23 to enhance wages for employees. Under the act, facilities that received a rate adjustment for wage enhancements but failed to provide them may be subject to a rate decrease in the same amount.

EFFECTIVE DATE: Upon passage

#### **BACKGROUND**

##### ***Rehearing a Rate Decision***

State law allows nursing homes aggrieved by a DSS decision to apply for a rehearing within 10 days after the written notice of DSS's decision. Nursing homes must file a detailed written description of all items of aggrievement with DSS within 90 days after the written notice. DSS must issue a final decision within 60 days after the close of evidence or the date on which final briefs are filed, whichever is later. Items not resolved at the rehearing are submitted to binding arbitration (CGS § 17b-238(b)).

**COMMITTEE ACTION**

Human Services Committee

Joint Favorable

Yea 20 Nay 0 (03/17/2022)