

Aging Committee JOINT FAVORABLE REPORT

Bill No.: HB-6678

Title: AN ACT CONCERNING NURSING HOME TRANSPARENCY.

Vote Date: 3/1/2023

Vote Action: Joint Favorable Substitute

PH Date: 2/21/2023

File No.:

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SPONSORS OF BILL:

Aging Committee

REASONS FOR BILL:

This bill would require transparent cost reporting by nursing homes and disclosure of private equity ownership by applicants for nursing home licensure.

JFS language (LCO 5189) removes "for profit" in line 208 of Section 3 of the language.

RESPONSE FROM ADMINISTRATION/AGENCY:

Dept. of Social Services, Ms. Andrea Barton Reeves, Commissioner: There are **not in support** of this proposal since this would be a new requirement for the Dept. and would require additional staff to collect, gather and desk review documents to ensure compliance with the bill. It would set in statute the specific data points that currently exist in the cost report and by establishing the content of a cost report in statute the Dept's ability to revise the cost report would be restricted.

Dept of Aging and Disability Services, Ms. Mairead Painter, Long-Term Care Ombudsman: They are in **support** of this bill. It is important that skilled nursing facility cost reports are accessible to the public. Having access to these cost reports is critical for ensuring accountability and transparency in the use of taxpayer dollars for skilled nursing care. Transparency in ownership is also critical to ensure that skilled nursing facilities are being operated with the best interests of their residents in mind and providing accountability and oversight of these facilities will help identify potential risks and weaknesses in their operations. Additionally, transparency in ownership is required to ensure that individuals and families can make informed decisions about where to receive care.

NATURE AND SOURCES OF SUPPORT:

Connecticut Legal Services. Ms. Jean Mills Aranha, Volunteer Attorney: They **support** this proposal and state that only through transparency and accountability can we see where the significant Medicaid dollars we spend every year are used. With more staff in place and better transparency and accountability we can be sure that Medicaid dollars are being used properly to care for nursing home residents.

AARP Connecticut, Ms. Anna Doroghazi, Assoc. State Director, Advocacy and Outreach: They are in **support** of this bill and point out that nearly 75% of nursing homes regularly use related-party transactions to provide services. Related parties are businesses owned by the nursing homeowner or someone close to him that provide goods or services to the facility. Because of these transactions the nursing home may appear to operate at a loss while its owner is enjoying profits from one or more of the related companies that transact with the facility. If facilities are allowed to operate under these relationships it will be difficult to know the true profit margins of the nursing home.

NATURE AND SOURCES OF OPPOSITION:

LeadingAge Connecticut, Ms. Mag Morelli, President: Their testimony indicated that they **cannot support** this bill since it would require that each nursing home take on the burden of drafting a summary of their cost report that would be submitted along with the report. They represent the non-profit sector of the nursing home field and as such they are not averse to transparency. Their members believe in the mission of the non-profit sector and have historically spent significantly more on resident care and services than the amount they receive through their Medicaid rates. They do not agree with the proposal to require individual subjective summaries of the cost report as we do not believe the benefit of that approach outweighs the increased burdens involved in the task.

Connecticut Assoc. of Health Care Facilities/Connecticut Center for Assisted Living, Mr. Matt Barrett, President & CEO: They are **opposed** to this proposal. They cite the testimony that was presented at the Human Services and Aging Joint Public Hearing held on 2/16/23 concerning SB 989 (sections 6 & 7).

Reported by: Richard Ferrari, Assist. Clerk

Date: 3/6/23