

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: SB-1111

AN ACT CONCERNING EXCESS NURSING HOME BEDS AND PAYMENT FOR

Title: NONPATIENT CARE IN NURSING HOMES.

Vote Date: 3/28/2023

Vote Action: Joint Favorable Substitute

PH Date: 2/28/2023

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

Excess nursing home beds can be costly for both nursing homes and the state's Medicaid program overall. Nursing homes provide essential medical care for residents of all ages. The Medicaid program through the Department of Social Services (DSS) covers the cost of coverage for a majority of nursing home residents throughout the state. DSS also pays nursing homes through a cost-based methodology, and when DSS rebases a nursing home, they look at the allowable costs in various categories. Therefore, providing incentives to reduce unused beds will encourage nursing homes to use those funds going towards unused beds for other costs related to the care of residents. This bill will also determine a fixed rate for the administrative and general component by forming peer groupings.

SUBSTITUTE LANGUAGE:

The substitute language strikes the underlying bill calling for financial penalties for nursing homes with excess bed capacity and a new peer grouping reimbursement model in favor of a working group with industry reps to discuss these issues, including the impact of a limited labor pool on filling and staffing licensed beds.

RESPONSE FROM ADMINISTRATION/AGENCY:

Department of Social Services (DSS), Commissioner, Andrea Barton Reeves; supports this bill stating the purpose of this bill is to incentive nursing homes to delicense unused space or empty beds by paying less for beds that have been unoccupied for over one year. It is stated having a set price for the administrative and general rate component will create peer groupings based on licensed bed capacity and location. It is suggested the peer group

medians and prices under this bill will be budget neutral to the state and the overall nursing home industry.

NATURE AND SOURCES OF SUPPORT:

None stated.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Association of Health Care Facilities / Connecticut Center for Assisted Living (CAHCF/CCAL), President & CEO Matt Barrett; opposes this bill stating the changes to the administrative and general rate component will reduce Medicaid rates by \$3.50 per day for 75% of nursing homes. It is stated the state should adopt policies geared toward rightsizing and rebalancing would be more beneficial for nursing homes and the state's efforts to lower excess bed capacity.

LeadingAge Connecticut, President, Mag Morelli; opposes this bill stating there should be an exemption for nursing homes that can prove there is demand for vacant beds but cannot fill them due to the lack of staffing to provide quality care. It is stated while the effort to incentivize the de-licensure of nursing home beds by reducing the per-diem rate is supported, there is currently a workforce crisis and nursing homes should not be punished for wanting to provide nursing home quality care. It is also stated that the nursing home associations were not consulted when determining the creation of peer groups.

One person submitted testimony anonymously in opposition to this bill.

Reported by: Chandra Persaud

Date: March 30, 2023