Ryders Health Management

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- ❒ Aaron Manor Nursing & Rehabilitation Center
- ❒ Bel-Air Manor Nursing & Rehabilitation Center
- ❒ Cheshire House Nursing & Rehabilitation Center
- ❒ Douglas Manor Nursing & Rehabilitation Center
- ❒ Greentree Manor Nursing & Rehabilitation Center
- ❒ Lord Chamberlain Manor Nursing & Rehabilitation Center
- ❒ Lord Chamberlain Nursing & Rehabilitation Center
- ❒ Mystic Healthcare & Rehabilitation Center
- ❒ Lighthouse Companion Care
- ❒ Lighthouse Home Health Care
- ❒ Ryders Rehabilitation
- ❒ Ryders Health Management

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Chief Medical Officer

February 27, 2025

Written testimony of Cynthia Fitzgerald, Chief Executive Officer of Ryders Health Management, Concerning Skilled Nursing Facility Funding For SFY 2026 and SFY 2027

Members of the Appropriations Committee. My name is Cynthia Fitzgerald. I am Chief Executive Officer at Ryders Health Management with eight locations in Connecticut**.** Ryders Health Management has been providing nursing home care in our community for 75 years. We have 736 beds among the eight nursing homes and 1250+ employees working at our facilities. We are members of the Connecticut Association of Health Care Facilities (CAHCF).

The Public Health Emergency May Be Over, But Connecticut Nursing Homes are Still Recovering

Even though the Covid-19 public health emergency is officially ended, I can say that our nursing home, the residents we serve, and our employees, continue to be challenged like no other time in our history of providing services in Connecticut. I can also say that our nursing home is as determined as ever, and we feel that each week we are getting closer to a time when we can say the pandemic is truly behind us.

Ravaging Inflation, Severe Staffing Shortages are Hindering Admissions, Increasing Labor Costs and Slowing Nursing Home Recovery

Never before experienced inflation and the ongoing staffing crisis are the top issues that are not addressed in the budget recommendation.

Inflation. We are losing ground by the fact that the cost of expenses is going up, but reimbursement does not. The proposed funding for nursing homes does not recognize what is happening with inflation, and we are asking you to recognize the real inflation that we are experiencing in the state budget. Connecticut experienced an annual inflation rate of 3.7% in 2024 higher than the national inflation rate of 2.9%. Skilled Nursing Facility costs exceeded double digit increases from 2024 to 2025 in several fixed categories including but not limited to:

- Utility costs exceeded a 10% increase
- Medical supplies in key categories ranged from 8-14% and for some instances 20+% increases with competitive billing and the use of Group Purchasing Organizations
- Real Estate and Personal Property Taxes exceeded a 5% increase

Staffing Crisis. The severe staffing shortages our nursing homes have faced during the pandemic is not letting up. Here is what is happening.

- Nursing Agency use is a 40% premium cost
- Nursing Agencies are creating labor shortages, driving up premium labor cost
- Nursing shortages have put more financial pressure on sign on bonuses, hourly rates, and shift differentials.
- Employee Health Insurance Benefits premium renewals were more than 10% from 2024-2025 which the facilities absorb the increase to stay competitive with recruitment and retention

The federal and state resources that were a lifeline to our community have all terminated. Now, all our operators and employees are losing ground against inflation. More funding is needed in the budget to address the persistent and ongoing inflation and help us with our soaring labor costs.

Thank you. I would be happy to answer any questions you may have.