

STAFFING IN NURSING HOMES

Connecticut's Medicaid program provides significant funding for nursing home services, primarily to the elderly population that meets established income and asset eligibility criteria. Nursing facilities provide a full range of services such as health, rehabilitation, social, nutrition, and housing services for a single per diem Medicaid rate, which varies by facility. Care is provided in facilities licensed as either: (1) chronic and convalescent homes (CCH); or (2) rest homes with nursing services (RHNS). As of November 1999, there were 262 nursing facilities in the state, with 32,071 beds and approximately 19,731 Medicaid nursing home clients. Medicaid expenditures for nursing home care in FY 99 were \$901 million.

Public Act (P.A.) 99-279 established the Nursing Home Wage, Benefit, and Staffing Enhancement Program. The act provides for rate increases to nursing facilities to be used for wages, benefits, and staffing enhancements. Funding of \$75 million is allocated directly for the wage enhancement program in FY 00. The act also increased each home's per diem rate which resulted in additional funding of \$10 million in FY 00 and \$22.8 million in FY 01.

A facility's share of the enhancement initiatives funds is based upon its percentage of total direct (e.g., nurses and nurses aides) and indirect (e.g., dietary, housekeeping, and social work) costs in relation to all facilities, adjusted for Medicaid days. These funds cannot be used for wage and salary increases for administrators, assistant administrators, owners or related party employees. The act requires the commissioner of social services to compare each home's expenditures to determine whether a home has applied additional payments to specified enhancements. If not, the Department of Social Services (DSS) is authorized to make recoupments and retroactive rate reductions.

The Nursing Home Financial Advisory Committee was established under P.A. 98-239. The seven-member committee is charged with examining the financial solvency of nursing homes on an ongoing basis and to support DSS and the Department of Public Health (DPH) in their mission to provide oversight to the nursing home industry. P.A. 99-279 expanded the committee's charge to include a study of the nursing home rate-setting system.

AREA OF FOCUS

The study would evaluate the implementation and impact of the Nursing Home Wage, Benefit, and Staffing Enhancement Program and the role of DSS in administering the provisions of the act. It would also examine the role of the Department of Public Health in establishing minimum staffing levels, determining their adequacy, and monitoring to ensure the requirements are met.

AREAS OF ANALYSIS

- implementation and impact of the Staffing, Benefits, and Wage Enhancement Program;

- procedures established by DSS for monitoring implementation of the initiative;
- Connecticut's minimum regulatory staffing standards compared to current practice, national models and/or selected other states;
- research models to measure acuity (severity of illness), trends in acuity levels, and the impact on direct staffing levels;
- trends in nursing home expenditures by category (management, direct staff, indirect staff, etc.);
- recruitment practices for direct staff, including the provision of nurses by temporary agency services; and
- monitor and report on findings and recommendations of the statutorily established Nursing Home Financial Advisory Committee.

AREAS NOT INCLUDED IN ANALYSIS

The study would examine the issues of financial solvency, transfer of nursing home ownership, and rate-setting only in the context of the Nursing Home Financial Advisory Committee.