



House of Representatives

General Assembly

File No. 151

January Session, 2025

Substitute House Bill No. 7026

House of Representatives, March 19, 2025

The Committee on Human Services reported through REP. GILCHREST of the 18th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING EXCEPTIONS TO THE NURSING HOME BED MORATORIUM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 17b-354 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (a) The Department of Social Services shall not accept or approve any
5 requests for additional nursing home beds, except (1) beds restricted to
6 use by patients with acquired immune deficiency syndrome or by
7 patients requiring neurological rehabilitation; (2) beds associated with a
8 continuing care facility, as described in section 17b-520, provided such
9 beds are not used in the Medicaid program; [. For the purpose of this
10 subsection, beds associated with a continuing care facility are not subject
11 to the certificate of need provisions pursuant to sections 17b-352 and
12 17b-353;] (3) Medicaid certified beds either to be relocated from one
13 licensed nursing facility to another licensed nursing facility to meet a
14 priority need identified in the strategic plan developed pursuant to
15 subsection (c) of section 17b-369 or new beds added to an existing

16 facility or a new facility with preference given to a nontraditional, small-
17 house-style nursing home facility that incorporates the goals for nursing
18 facilities referenced in the department's strategic plan for long-term
19 care, as outlined in section 17b-355, as amended by this act, to address
20 priority needs reflected by area census trends; (4) licensed Medicaid
21 nursing facility beds to be relocated from one or more existing nursing
22 facilities to a new nursing facility, including a replacement facility,
23 provided (A) no new Medicaid certified beds are added, (B) at least one
24 currently licensed facility is closed in the transaction as a result of the
25 relocation, (C) the relocation is done within available appropriations,
26 (D) the facility participates in the Money Follows the Person
27 demonstration project pursuant to section 17b-369, (E) the availability of
28 beds in the area of need will not be adversely affected, (F) the certificate
29 of need approval for such new facility or facility relocation and the
30 associated capital expenditures are obtained pursuant to sections 17b-
31 352 and 17b-353, and (G) the facilities included in the bed relocation and
32 closure shall be in accordance with the strategic plan developed
33 pursuant to subsection (c) of section 17b-369; and (5) proposals to build
34 a nontraditional, small-house style nursing home designed to enhance
35 the quality of life for nursing facility residents, provided that the
36 nursing facility agrees to reduce its total number of licensed beds by a
37 percentage determined by the Commissioner of Social Services in
38 accordance with the department's strategic plan for long-term care. For
39 the purposes of this subsection, beds associated with a continuing care
40 facility are not subject to the certificate of need provisions pursuant to
41 sections 17b-352 and 17b-353.

42 Sec. 2. Section 17b-355 of the general statutes is repealed and the
43 following is substituted in lieu thereof (*Effective from passage*):

44 (a) In determining whether a request submitted pursuant to sections
45 17b-352 to 17b-354, inclusive, as amended by this act, will be granted,
46 modified or denied, the Commissioner of Social Services shall consider
47 the following: (1) The financial feasibility of the request and its impact
48 on the applicant's rates and financial condition, (2) the contribution of
49 the request to the quality, accessibility and cost-effectiveness of the

50 delivery of long-term care in the region, (3) whether there is clear public
51 need for the request, (4) the relationship of any proposed change to the
52 applicant's current utilization statistics and the effect of the proposal on
53 the utilization statistics of other facilities in the applicant's service area,
54 (5) the business interests of all owners, partners, associates,
55 incorporators, directors, sponsors, stockholders and operators and the
56 personal background of such persons, and (6) any other factor which the
57 Department of Social Services deems relevant. In considering whether
58 there is clear public need for any request for the relocation of beds to a
59 replacement facility, or for new beds added to an existing facility or a
60 new facility, the commissioner shall consider whether there is a
61 demonstrated bed need in the towns within a fifteen-mile radius of the
62 town in which the beds are proposed to be located and whether the
63 availability of beds in the applicant's service area will be adversely
64 affected.

65 (b) Any proposal to relocate nursing home beds from an existing
66 facility to a new facility shall not increase the number of Medicaid
67 certified beds and shall result in the closure of at least one currently
68 licensed facility. The commissioner may request that any applicant
69 seeking to replace an existing facility reduce the number of beds in the
70 new facility by a percentage that is consistent with the department's
71 strategic state-wide long-term rebalancing plan for long-term care. If an
72 applicant seeking to replace an existing facility with a new facility owns
73 or operates more than one nursing facility, the commissioner may
74 request that the applicant close two or more facilities before approving
75 the proposal to build a new facility. The commissioner shall also
76 consider whether an application to establish a new or replacement
77 nursing facility proposes a nontraditional, small-house style nursing
78 facility and incorporates goals for nursing facilities referenced in the
79 department's strategic state-wide long-term rebalancing plan for long-
80 term care, including, but not limited to, (1) promoting person-centered
81 care, (2) providing enhanced quality of care, (3) creating community
82 space for all nursing facility residents, and (4) developing stronger
83 connections between the nursing facility residents and the surrounding
84 community.

85 [Bed] (c) Demonstrated bed need shall be based on the recent
 86 occupancy percentage of area nursing facilities [and the] with
 87 occupancy above ninety-six per cent for a minimum of two consecutive
 88 quarters. The department may consider projected bed need [for no more
 89 than five years] into the future at [ninety-seven and one-half per cent]
 90 occupancy above ninety-six per cent using the latest [official population
 91 projections by town and age as published by the Office of Policy and
 92 Management and the latest available state-wide nursing facility
 93 utilization statistics by age cohort from the Department of Public
 94 Health] strategic state-wide long-term rebalancing plan for long-term
 95 care as published by the department. The commissioner may also
 96 consider area specific utilization and reductions in utilization rates to
 97 account for the increased use of less institutional alternatives.

This act shall take effect as follows and shall amend the following sections:

| | | |
|-----------|---------------------|------------|
| Section 1 | <i>from passage</i> | 17b-354(a) |
| Sec. 2 | <i>from passage</i> | 17b-355 |

Statement of Legislative Commissioners:

In Section 2(c), "for long-term care" was added after "strategic state-wide long-term rebalancing plan" for internal consistency.

HS Joint Favorable Subst. -LCO

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 26 \$ | FY 27 \$ |
|------------------------|---------------------|-----------|-----------|
| Social Services, Dept. | GF - Potential Cost | See Below | See Below |

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill could result in increased Medicaid costs to the Department of Social Services (DSS) associated with allowing DSS to approve requests to add new Medicaid-certified beds to existing or new nursing homes. To the extent this results in a higher cost per bed than Medicaid would otherwise support or new costs related to a new facility, the state will incur associated allowable Medicaid expenditures. The actual fiscal impact is dependent on the scope and approval of such requests.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 7026*****AN ACT CONCERNING EXCEPTIONS TO THE NURSING HOME BED MORATORIUM.*****SUMMARY**

Existing law establishes a nursing home bed moratorium that generally prohibits the Department of Social Services (DSS) from accepting or approving certificate of need (CON, see BACKGROUND) requests for more nursing home beds, with certain exceptions.

This bill adds a new exception that allows DSS to approve a request to add new Medicaid-certified beds to existing or new nursing homes. When doing so, the department must give preference to nontraditional, small-house style nursing homes whose goals are in keeping with the department's long-term care strategic plan to address facility needs in priority census tracts.

Under existing law and the bill, the DSS commissioner must consider several factors when reviewing these requests, such as whether there is clear public need to add new Medicaid-certified beds. When determining public need, the commissioner must consider whether there is a demonstrated bed need in the towns within a 15-mile radius of the town where the new beds will be added. (Existing law also requires the commissioner to do this when considering requests to relocate beds to a replacement nursing home.)

The bill also modifies how bed need is determined for CON requests. Under the bill, a service area with a demonstrated bed need is one whose nursing home occupancy is above 96% for at least two consecutive quarters. The DSS commissioner may also consider the service area's projected future bed need above 96% occupancy using its latest strategic statewide long-term care rebalancing plan.

Currently, demonstrated bed need is based on a service area's

nursing home occupancy (the law does not specify a percentage) and projected bed need for up to five years at 97.5% occupancy using the (1) Office of Policy and Management's latest population projections by town and age and (2) Department of Public Health's latest available nursing home utilization statistics by age cohort.

The bill also makes technical changes.

EFFECTIVE DATE: Upon passage

BACKGROUND

DSS CON Program

By law, nursing homes, rest homes, and intermediate care facilities for people with intellectual disabilities must generally receive CON approval from DSS when (1) introducing new services, (2) changing ownership, (3) relocating licensed beds or decreasing bed capacity, (4) terminating a service, or (5) incurring certain capital expenditures.

Exceptions to Nursing Home Bed Moratorium

For over thirty years, the state has placed a moratorium on new nursing home beds, except for those:

1. restricted to use by patients with AIDS or who require neurological rehabilitation;
2. associated with a continuing care facility, if they are not used for Medicaid patients;
3. that are Medicaid-certified and relocated from one licensed nursing home to another or to a new facility, under certain conditions; and
4. in certain nontraditional, small-house style nursing homes.

COMMITTEE ACTION

Human Services Committee

Joint Favorable

Yea 23 Nay 0 (03/04/2025)