

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: SB-805

AN ACT REQUIRING NURSING HOMES TO SPEND NOT LESS THAN EIGHTY
Title: PER CENT OF REVENUES ON DIRECT PATIENT CARE.

Vote Date: 3/14/2025

Vote Action: Joint Favorable

PH Date: 3/11/2025

File No.: 371

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SPONSORS OF BILL:

Human Services Committee

CO-SPONSORS OF BILL:

Sen. Martin M. Looney, 11th District
Sen. Saud Anwar, 3rd District

REASONS FOR BILL:

The bill aims to require a medical loss ratio for nursing homes so that 80% of the revenue generated by a nursing home must be spent on direct patient care. This bill also works toward improving the quality of care in nursing homes.

RESPONSE FROM ADMINISTRATION/AGENCY:

Connecticut Department of Social Services, Commissioner Andrea Barton Reeves, :

The Department of Social Services is not in complete support of the bill but doesn't necessarily oppose it. DPSS states that there could be some amendments made to the bill. While the overall intent provides support to direct resident care, there could be unintended consequences on total resident care. There is already a mechanism in place to ensure that Medicaid funding directly aligns with the needs of the resident. They use acuity-based reimbursement, which is specifically designed to increase the direct care to best align with individual care plans. This bill could be unnecessary, given how it could conflict with the acuity-based reimbursement that is specifically developed to target direct care resources. As a result, DSS does not support the bill but is willing to work and amend promoting quality care in long-term settings.

NATURE AND SOURCES OF SUPPORT:

Connecticut Legal Services, Attorney, Jean Mills Aranha: On behalf of Connecticut's Legal Aid programs, they are in full support of the bill. Given how many nursing homes complain about the lack of funding coupled with the rise of private equity firms buying out homes, there is a crisis to be addressed. Increasing transparency of spending and directing a fixed percentage can ensure that residents receive vital care. For this, the Legal Aid Program provides their full support for the passage of this bill.

Connecticut Association of Healthcare Facilities & Connecticut Center for Assisted Living (CAHCF/CCAL), Matthew Barrett, President and CEO: On behalf of the CAHCF/CCAL, they urge no action on this bill. The one aspect of the bill that they are opposed to is that among the 5 cost categories with allowable cost maximums; these are all essential and mandating 80% of Medicaid funding would result in only 20% of overall funding for other vital services. The disproportionate amount of allocated funding poses a concern. Additionally, acuity-based rates are in use at this time given that nursing home rates must be based on performance on quality metrics. Due to these elements of the bill, CAHCF/CCAL does not support the bill at this time.

Connecticut Citizen Action Group, Liz Dupont-Diehl, Associate Director: Liz Dupont-Diehl affirms her full support for this bill. She mentions that while others have testified about the challenged federal funding landscape at this moment, that requires separate action. At this time, it is important that there are improvements made such as this bill.

Connecticut General Assembly, Senator Martin M. Looney, 11th District: Senator Looney affirms his support, but also provides amending the bill slightly. He states how many other neighboring states have similar laws, such as New Jersey's law requiring 90% of revenue to be spent on direct patient care while Massachusetts requires 75% of revenue to be spent on direct resident care. He supports this bill but would also support additional transparency requirements on nursing home facilities so that states are able to see how nursing homes spend their revenue, and how they prioritize patient care.

AARP, Natalie Shurtleff, Associate State Director Advocacy: Shurtleff, on behalf of the AARP, affirms support for the bill. She states that spending on patient care is essential to ensuring vulnerable seniors have access to the care they need and deserve. There is also a direct connection between spending on direct care, and quality of care nursing residents receive. Increasing staffing levels can help prevent elder abuse while also lowering mortality. She affirms her full support for the bill.

NATURE AND SOURCES OF OPPOSITION:

None expressed

Reported by: Ayesha Middya

Date: April 3, 2025