OLR Bill Analysis

SB 1333 (File 209, as amended by Senate "A")*

AN ACT CONCERNING VALUE-BASED MEDICAID REIMBURSEMENT TO NURSING HOMES.

SUMMARY

This bill makes various changes in laws related to the community ombudsman program, Medicaid nursing home reimbursements, long-term care insurance (LTC) rates, and the Connecticut Program for Elders (CHCPE).

The bill expands the scope of the Office of the Long-Term Care Ombudsman's community ombudsman program by extending the ombudsman's authority to a broader category of services that includes a range of health, personal care, and supportive services provided by Department of Social Services (DSS) community-based programs and home care providers.

It also allows DSS, starting October 1, 2026, and within available appropriations, to establish a quality metrics program to incentivize nursing homes (through performance-based payments) to provide higher-quality care and services to Medicaid residents.

Additionally, the bill requires LTC insurers (i.e. insurers, HMOs, fraternal benefit societies, and hospital or medical service corporations), before implementing a premium rate increase of more than 10%, to hold a public hearing and notify policyholders about the hearing date and time at least 14 days in advance.

The bill also requires the DSS commissioner, in consultation with the Department of Aging and Disability Services (ADS) commissioner, to study CHCPE, including among other things, whether to (1) increase the program's asset limits for non-home owners and (2) expand the assisted living demonstration project to four additional locations.

Lastly, the bill makes technical and conforming changes.

*Senate Amendment "A" replaces the underlying bill, which would have established a working group to study DSS's quality metrics program for nursing home services and required the working group to report on the study to the Aging Committee by January 1, 2026.

EFFECTIVE DATE: July 1, 2025, except that the provision on the (1) DSS quality metrics program takes effect on October 1, 2025, and (2) CHCPE study takes effect upon passage.

§ 1 — EXPANDING THE COMMUNITY OMBUDSMAN PROGRAM

The bill expands the scope of the community ombudsman program in the Office of the Long-Term Care Ombudsman. It does so by extending the ombudsman's authority under provisions that cover a broader category of services.

Under current law, these provisions apply to home care services, which are long-term services and supports for adults in a home- or community-based DSS-administered program. Under the bill, these provisions instead apply to "home and community-based long-term services and supports," which more broadly includes a comprehensive array of health, personal care, and supportive services. It specifically includes (1) DSS community-based programs and (2) providers of home care to people with physical, cognitive, or mental health conditions to enhance quality of life, facilitate optimal functioning, and support independent living in a setting of the person's choice.

The bill also expands who is considered a home care provider by adding individuals who formally or informally offer direct home- and community-based long-term services and supports. Currently, only home health or hospice agencies and homemaker-companion agencies are considered home care providers.

Specifically, the bill applies this broader category of services to provisions that allow the ombudsman to:

1. identify, investigate, refer, and help resolve complaints;

2. raise public awareness;

3. promote access; and

4. refer clients for legal, housing, and social services.

The bill expands the ombudsman's access to data, subject to certain existing consent requirements, to include data about home and community-based long-term services and supports, rather than data about long-term services and supports from home care providers.

The bill makes conforming changes to the ombudsman's annual reporting and data protection requirements to reflect the expanded scope of the program.

§ 2 — DSS QUALITY METRICS PROGRAM

Existing law requires DSS to implement an acuity-based Medicaid reimbursement rate for nursing homes starting July 1, 2022. Acuity-based rates generally reimburse nursing homes based on the level of care needed for residents. In practice, DSS is transitioning from a cost-based system to an acuity-based system over a period of years.

The bill effectuates this transition by authorizing DSS, starting October 1, 2026, and within available appropriations, to establish a quality metrics program to pay nursing homes (1) for achieving high-quality outcomes based on their performance on the program's quality metrics and (2) to incentivize providing high-quality services to Medicaid residents, based on individualized reports existing law requires DSS to give them (see below).

Under the bill, the program must evaluate nursing homes based on national quality measures issued by the Centers for Medicare and Medicaid Services and state-administered consumer satisfaction measures. DSS may weight quality measures based on desired outcomes it determines.

The bill requires DSS to report on the program's implementation by February 1, 2027, to the Appropriations and Human Services

committees.

Individualized Reports

As part of the new acuity-based system, existing law required DSS, starting July 1, 2022, to phase in rate adjustments based on each nursing home's performance on quality metrics, with a period of only reporting. The following year, the law requires DSS to start issuing individualized reports annually to each nursing home to show the quality metrics program's impact on the home's Medicaid rate.

Under current law, DSS must report to the Appropriations and Human Services committees, by June 30, 2025, on the quality metrics program, including information on the individualized quality metrics reports and the anticipated impact on nursing homes if the state implemented a rate withhold on nursing homes that fail to meet certain quality metrics. (Presumably, "rate withholds" refers to some portion of a nursing home's Medicaid payment that DSS keeps or otherwise declines to pay a nursing home based on its performance under the quality metrics program.)

The bill eliminates this requirement starting October 1, 2025 (presumably, DSS must still report to the committees by June 30, 2025).

§ 5 — STUDY ON THE CONNECTICUT HOME-CARE PROGRAM FOR ELDERS

The bill requires the DSS commissioner, in consultation with the ADS commissioner, to study CHCPE, including examining the feasibility of the following:

1. implementing a package five care level;

2. expanding the state's assisted living demonstration project to four additional locations in the state (see BACKGROUND);

3. recategorizing program assistance so that package four or package five care level recipients receive funds equal to those they would receive if they hired live-in aides; and

4. raising the asset eligibility limits to $145,000 for people who do

not own a home (currently asset limits are $1,600 for an individual and $3,200 for a married couple in the program's Medicaid-funded portion and $47,376 for an individual and $63,168 for a married couple in the program's state-funded portion).

Under the bill, the DSS commissioner must report the study results to the Aging and Human Services committees by October 1, 2026.

BACKGROUND

Assisted Living Demonstration Project

This program provides assisted living services to low- and moderate-income older adults living in government-subsidized housing. To qualify, tenants must be age 65 or older and eligible for either the (1) CHCPE or (2) Department of Mental Health and Addiction Services' home and community-based program for adults with severe and persistent psychiatric disabilities. The program currently operates in four locations (a total of up to 300 units): Herbert T. Clarke House in Glastonbury, The Retreat in Hartford, Luther Ridge in Middletown, and Smith Street Assisted Living in Seymour.

CHCPE

CHCPE is a Medicaid-waiver and state-funded program that provides a range of home- and community-based services for eligible individuals ages 65 or older who are at risk of inappropriate institutionalization (e.g. nursing home placement). The program has five categories, based on a participant's functional and financial eligibility. In comparison to the Medicaid-waiver component, the program's state-funded portion has no income limit and has higher asset limits. The state can limit program enrollment or establish wait lists based on available resources.

Related Bills

sSB 1280 (File 102), favorably reported by the Aging Committee, similarly expands the scope of the Office of the Long-Term Care Ombudsman's community ombudsman program.

sHB 7183 (File 520), favorably reported by the Government Oversight and Insurance and Real Estate committees, requires the insurance commissioner to hold a public hearing on requests to increase LTC insurance premium rates by more than 10% and give electronic notice of it to the Government Oversight and Insurance and Real Estate committees at least 14 days before the hearing.

sHB 7226 (File 650), favorably reported by the Government Administration and Elections Committee, requires the insurance commissioner to hold a hearing on requests to increase LTC insurance premium rates by more than 10%.

COMMITTEE ACTION

Aging Committee

Joint Favorable
Yea 14 Nay 0 (03/06/2025)

Appropriations Committee

Joint Favorable
Yea 42 Nay 8 (05/05/2025)