



General Assembly

February Session, 2026

**Raised Bill No. 5358**

LCO No. 2088



Referred to Committee on HUMAN SERVICES

Introduced by:  
(HS)

***AN ACT CONCERNING THE REBASING OF RATES OF REIMBURSEMENT FOR CERTAIN RESIDENTIAL FACILITIES.***

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

1 Section 1. Subsections (a) and (b) of section 17b-244 of the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2026*):

4 (a) The room and board component of the rates to be paid by the state  
5 to private facilities and facilities operated by regional education service  
6 centers which are licensed to provide residential care pursuant to  
7 section 17a-227, but not certified to participate in the Title XIX Medicaid  
8 program as intermediate care facilities for individuals with intellectual  
9 disabilities, shall be determined annually by the Commissioner of Social  
10 Services, except that rates effective April 30, 1989, shall remain in effect  
11 through October 31, 1989. Any facility with real property other than  
12 land placed in service prior to July 1, 1991, shall, for the fiscal year  
13 ending June 30, 1995, receive a rate of return on real property equal to  
14 the average of the rates of return applied to real property other than land  
15 placed in service for the five years preceding July 1, 1993. For the fiscal

16 year ending June 30, 1996, and any succeeding fiscal year, the rate of  
17 return on real property for property items shall be revised every five  
18 years. The commissioner shall, upon submission of a request by such  
19 facility, allow actual debt service, comprised of principal and interest,  
20 on the loan or loans in lieu of property costs allowed pursuant to section  
21 17-313b-5 of the regulations of Connecticut state agencies, whether  
22 actual debt service is higher or lower than such allowed property costs,  
23 provided such debt service terms and amounts are reasonable in  
24 relation to the useful life and the base value of the property. In the case  
25 of facilities financed through the Connecticut Housing Finance  
26 Authority, the commissioner shall allow actual debt service, comprised  
27 of principal, interest and a reasonable repair and replacement reserve  
28 on the loan or loans in lieu of property costs allowed pursuant to section  
29 17-313b-5 of the regulations of Connecticut state agencies, whether  
30 actual debt service is higher or lower than such allowed property costs,  
31 provided such debt service terms and amounts are determined by the  
32 commissioner at the time the loan is entered into to be reasonable in  
33 relation to the useful life and base value of the property. The  
34 commissioner may allow fees associated with mortgage refinancing  
35 provided such refinancing will result in state reimbursement savings,  
36 after comparing costs over the terms of the existing proposed loans. For  
37 the fiscal year ending June 30, 1992, the inflation factor used to  
38 determine rates shall be one-half of the gross national product  
39 percentage increase for the period between the midpoint of the cost year  
40 through the midpoint of the rate year. For fiscal year ending June 30,  
41 1993, the inflation factor used to determine rates shall be two-thirds of  
42 the gross national product percentage increase from the midpoint of the  
43 cost year to the midpoint of the rate year. For the fiscal years ending  
44 June 30, 1996, and June 30, 1997, no inflation factor shall be applied in  
45 determining rates. The Commissioner of Social Services shall prescribe  
46 uniform forms on which such facilities shall report their costs. Such rates  
47 shall be determined on the basis of a reasonable payment for necessary  
48 services. Any increase in grants, gifts, fund-raising or endowment  
49 income used for the payment of operating costs by a private facility in

50 the fiscal year ending June 30, 1992, shall be excluded by the  
51 commissioner from the income of the facility in determining the rates to  
52 be paid to the facility for the fiscal year ending June 30, 1993, provided  
53 any operating costs funded by such increase shall not obligate the state  
54 to increase expenditures in subsequent fiscal years. Nothing contained  
55 in this section shall authorize a payment by the state to any such facility  
56 in excess of the charges made by the facility for comparable services to  
57 the general public. The service component of the rates to be paid by the  
58 state to private facilities and facilities operated by regional education  
59 service centers which are licensed to provide residential care pursuant  
60 to section 17a-227, but not certified to participate in the Title XIX  
61 Medicaid programs as intermediate care facilities for individuals with  
62 intellectual disabilities, shall be determined annually by the  
63 Commissioner of Developmental Services in accordance with section  
64 17b-244a. For the fiscal year ending June 30, 2008, no facility shall receive  
65 a rate that is more than two per cent greater than the rate in effect for  
66 the facility on June 30, 2007, except any facility that would have been  
67 issued a lower rate effective July 1, 2007, due to interim rate status or  
68 agreement with the department, shall be issued such lower rate effective  
69 July 1, 2007. For the fiscal year ending June 30, 2009, no facility shall  
70 receive a rate that is more than two per cent greater than the rate in effect  
71 for the facility on June 30, 2008, except any facility that would have been  
72 issued a lower rate effective July 1, 2008, due to interim rate status or  
73 agreement with the department, shall be issued such lower rate effective  
74 July 1, 2008. For the fiscal years ending June 30, 2010, and June 30, 2011,  
75 rates in effect for the period ending June 30, 2009, shall remain in effect  
76 until June 30, 2011, except that (1) the rate paid to a facility may be higher  
77 than the rate paid to the facility for the period ending June 30, 2009, if a  
78 capital improvement required by the Commissioner of Developmental  
79 Services for the health or safety of the residents was made to the facility  
80 during the fiscal years ending June 30, 2010, or June 30, 2011, and (2) any  
81 facility that would have been issued a lower rate for the fiscal year  
82 ending June 30, 2010, or June 30, 2011, due to interim rate status or  
83 agreement with the department, shall be issued such lower rate. For the

84 fiscal year ending June 30, 2012, rates in effect for the period ending June  
85 30, 2011, shall remain in effect until June 30, 2012, except that (A) the  
86 rate paid to a facility may be higher than the rate paid to the facility for  
87 the period ending June 30, 2011, if a capital improvement required by  
88 the Commissioner of Developmental Services for the health or safety of  
89 the residents was made to the facility during the fiscal year ending June  
90 30, 2012, and (B) any facility that would have been issued a lower rate  
91 for the fiscal year ending June 30, 2012, due to interim rate status or  
92 agreement with the department, shall be issued such lower rate. Any  
93 facility that has a significant decrease in land and building costs shall  
94 receive a reduced rate to reflect such decrease in land and building costs.  
95 The rate paid to a facility may be increased if a capital improvement  
96 approved by the Department of Developmental Services, in consultation  
97 with the Department of Social Services, for the health or safety of the  
98 residents was made to the facility during the fiscal year ending June 30,  
99 2014, or June 30, 2015, only to the extent such increases are within  
100 available appropriations. For the fiscal years ending June 30, 2016, and  
101 June 30, 2017, rates shall not exceed those in effect for the period ending  
102 June 30, 2015, except the rate paid to a facility may be higher than the  
103 rate paid to the facility for the period ending June 30, 2015, if a capital  
104 improvement approved by the Department of Developmental Services,  
105 in consultation with the Department of Social Services, for the health or  
106 safety of the residents was made to the facility during the fiscal year  
107 ending June 30, 2016, or June 30, 2017, to the extent such rate increases  
108 are within available appropriations. For the fiscal years ending June 30,  
109 2016, and June 30, 2017, and each succeeding fiscal year, any facility that  
110 would have been issued a lower rate, due to interim rate status, a change  
111 in allowable fair rent or agreement with the department, shall be issued  
112 such lower rate. For the fiscal years ending June 30, 2018, and June 30,  
113 2019, rates shall not exceed those in effect for the period ending June 30,  
114 2017, except the rate paid to a facility may be higher than the rate paid  
115 to the facility for the period ending June 30, 2017, if a capital  
116 improvement approved by the Department of Developmental Services,  
117 in consultation with the Department of Social Services, for the health or

118 safety of the residents was made to the facility during the fiscal year  
119 ending June 30, 2018, or June 30, 2019, to the extent such rate increases  
120 are within available appropriations. For the fiscal years ending June 30,  
121 2020, and June 30, 2021, rates shall not exceed those in effect for the fiscal  
122 year ending June 30, 2019, except the rate paid to a facility may be higher  
123 than the rate paid to the facility for the fiscal year ending June 30, 2019,  
124 if a capital improvement approved by the Department of  
125 Developmental Services, in consultation with the Department of Social  
126 Services, for the health or safety of the residents was made to the facility  
127 during the fiscal year ending June 30, 2020, or June 30, 2021, to the extent  
128 such rate increases are within available appropriations. For the fiscal  
129 years ending June 30, 2022, and June 30, 2023, rates shall be based upon  
130 rates in effect for the fiscal year ending June 30, 2021, inflated by the  
131 gross domestic product deflator applicable to each rate year, except the  
132 commissioner may, in the commissioner's discretion and within  
133 available appropriations, provide pro rata fair rent increases to facilities  
134 which have documented fair rent additions placed in service in the cost  
135 report years ending September 30, 2020, and September 30, 2021, that  
136 are not otherwise included in rates issued, or if a rate adjustment for a  
137 capital improvement approved by the Department of Developmental  
138 Services, in consultation with the Department of Social Services, for the  
139 health or safety of the residents was made to the facility during the fiscal  
140 year ending June 30, 2022, or June 30, 2023. For the fiscal year ending  
141 June 30, 2024, rates shall not exceed those in effect for the fiscal year  
142 ending June 30, 2023, except the rate paid to a facility may be higher  
143 than the rate paid to the facility for the fiscal year ending June 30, 2023,  
144 if a capital improvement approved by the Department of  
145 Developmental Services, in consultation with the Department of Social  
146 Services, for the health or safety of the residents was made to the facility  
147 during the fiscal year ending June 30, 2024, to the extent such rate  
148 increases are within available appropriations. On or after July 1, 2026,  
149 costs shall be rebased every two years, as determined by the  
150 commissioner and when funds have been specifically appropriated for  
151 such purpose. For the fiscal year ending June 30, 2027, rates shall not be

152 rebased. Rebasing shall be based on the cost report period ending June  
153 thirtieth, as filed with the department, from the two years prior to the  
154 year in which the rebasing occurs. There shall be no inflationary increase  
155 to rates during a year in which rebasing occurs. Subsequent rate  
156 increases based on any inflationary factor shall be enacted only within  
157 appropriations. Any increase to rates based on inflation shall be applied  
158 prior to the application of any other budget adjustment factors that may  
159 impact such rates. Notwithstanding any other provisions of this chapter  
160 or section 17-313b-5 of the regulations of Connecticut state agencies, any  
161 subsequent increase to allowable operating costs, excluding fair rent,  
162 shall be inflated by the gross domestic product deflator when funding  
163 is specifically appropriated for such purposes in the enacted budget.  
164 The rate of inflation shall be computed by comparing the most recent  
165 rate year to the average of the gross domestic product deflator for the  
166 previous four fiscal quarters ending March thirty-first.

167 (b) Notwithstanding the provisions of subsection (a) of this section,  
168 state rates of payment for the fiscal years ending June 30, 2018, June 30,  
169 2019, June 30, 2020, and June 30, 2021, for residential care homes and  
170 community living arrangements that receive the flat rate for residential  
171 services under section 17-311-54 of the regulations of Connecticut state  
172 agencies shall be set in accordance with section 298 of public act 19-117\*.  
173 For the fiscal years ending June 30, 2022, and June 30, 2023, rates shall  
174 be based upon rates in effect for the fiscal year ending June 30, 2021,  
175 inflated by the gross domestic product deflator applicable to each rate  
176 year. Notwithstanding any other provisions of this chapter, any  
177 subsequent increase to allowable operating costs, excluding fair rent,  
178 shall be inflated by the gross domestic product deflator when funding  
179 is specifically appropriated for such purposes in the enacted state  
180 budget. The rate of inflation shall be computed by comparing the most  
181 recent rate year to the average of the gross domestic product deflator for  
182 the previous four fiscal quarters ending March thirty-first. Any increase  
183 to rates based on inflation shall be applied prior to the application of any  
184 other budget adjustment factors that may impact such rates.

185       Sec. 2. Subsection (h) of section 17b-340 of the 2026 supplement to the  
186 general statutes is repealed and the following is substituted in lieu  
187 thereof (*Effective July 1, 2026*):

188       (h) (1) For the fiscal year ending June 30, 1993, any intermediate care  
189 facility for individuals with intellectual disabilities with an operating  
190 cost component of its rate in excess of one hundred forty per cent of the  
191 median of operating cost components of rates in effect January 1, 1992,  
192 shall not receive an operating cost component increase. For the fiscal  
193 year ending June 30, 1993, any intermediate care facility for individuals  
194 with intellectual disabilities with an operating cost component of its rate  
195 that is less than one hundred forty per cent of the median of operating  
196 cost components of rates in effect January 1, 1992, shall have an  
197 allowance for real wage growth equal to thirty per cent of the increase  
198 determined in accordance with subsection (q) of section 17-311-52 of the  
199 regulations of Connecticut state agencies, provided such operating cost  
200 component shall not exceed one hundred forty per cent of the median  
201 of operating cost components in effect January 1, 1992. Any facility with  
202 real property other than land placed in service prior to October 1, 1991,  
203 shall, for the fiscal year ending June 30, 1995, receive a rate of return on  
204 real property equal to the average of the rates of return applied to real  
205 property other than land placed in service for the five years preceding  
206 October 1, 1993. For the fiscal year ending June 30, 1996, and any  
207 succeeding fiscal year, the rate of return on real property for property  
208 items shall be revised every five years. The commissioner shall, upon  
209 submission of a request, allow actual debt service, comprised of  
210 principal and interest, in excess of property costs allowed pursuant to  
211 section 17-311-52 of the regulations of Connecticut state agencies,  
212 provided such debt service terms and amounts are reasonable in  
213 relation to the useful life and the base value of the property. For the fiscal  
214 year ending June 30, 1995, and any succeeding fiscal year, the inflation  
215 adjustment made in accordance with subsection (p) of section 17-311-52  
216 of the regulations of Connecticut state agencies shall not be applied to  
217 real property costs. For the fiscal year ending June 30, 1996, and any

218 succeeding fiscal year, the allowance for real wage growth, as  
219 determined in accordance with subsection (q) of section 17-311-52 of the  
220 regulations of Connecticut state agencies, shall not be applied. For the  
221 fiscal year ending June 30, 1996, and any succeeding fiscal year, no rate  
222 shall exceed three hundred seventy-five dollars per day unless the  
223 commissioner, in consultation with the Commissioner of  
224 Developmental Services, determines after a review of program and  
225 management costs, that a rate in excess of this amount is necessary for  
226 care and treatment of facility residents. For the fiscal year ending June  
227 30, 2002, rate period, the Commissioner of Social Services shall increase  
228 the inflation adjustment for rates made in accordance with subsection  
229 (p) of section 17-311-52 of the regulations of Connecticut state agencies  
230 to update allowable fiscal year 2000 costs to include a three and one-half  
231 per cent inflation factor. For the fiscal year ending June 30, 2003, rate  
232 period, the commissioner shall increase the inflation adjustment for  
233 rates made in accordance with subsection (p) of section 17-311-52 of the  
234 regulations of Connecticut state agencies to update allowable fiscal year  
235 2001 costs to include a one and one-half per cent inflation factor, except  
236 that such increase shall be effective November 1, 2002, and such facility  
237 rate in effect for the fiscal year ending June 30, 2002, shall be paid for  
238 services provided until October 31, 2002, except any facility that would  
239 have been issued a lower rate effective July 1, 2002, than for the fiscal  
240 year ending June 30, 2002, due to interim rate status or agreement with  
241 the department shall be issued such lower rate effective July 1, 2002, and  
242 have such rate updated effective November 1, 2002, in accordance with  
243 applicable statutes and regulations. For the fiscal year ending June 30,  
244 2004, rates in effect for the period ending June 30, 2003, shall remain in  
245 effect, except any facility that would have been issued a lower rate  
246 effective July 1, 2003, than for the fiscal year ending June 30, 2003, due  
247 to interim rate status or agreement with the department shall be issued  
248 such lower rate effective July 1, 2003. For the fiscal year ending June 30,  
249 2005, rates in effect for the period ending June 30, 2004, shall remain in  
250 effect until September 30, 2004. Effective October 1, 2004, each facility  
251 shall receive a rate that is five per cent greater than the rate in effect

252 September 30, 2004. Effective upon receipt of all the necessary federal  
253 approvals to secure federal financial participation matching funds  
254 associated with the rate increase provided in subdivision (4) of  
255 subsection (f) of this section, but in no event earlier than October 1, 2005,  
256 and provided the user fee imposed under section 17b-320 is required to  
257 be collected, each facility shall receive a rate that is four per cent more  
258 than the rate the facility received in the prior fiscal year, except any  
259 facility that would have been issued a lower rate effective October 1,  
260 2005, than for the fiscal year ending June 30, 2005, due to interim rate  
261 status or agreement with the department, shall be issued such lower rate  
262 effective October 1, 2005. Such rate increase shall remain in effect unless:  
263 (A) The federal financial participation matching funds associated with  
264 the rate increase are no longer available; or (B) the user fee created  
265 pursuant to section 17b-320 is not in effect. For the fiscal year ending  
266 June 30, 2007, rates in effect for the period ending June 30, 2006, shall  
267 remain in effect until September 30, 2006, except any facility that would  
268 have been issued a lower rate effective July 1, 2006, than for the fiscal  
269 year ending June 30, 2006, due to interim rate status or agreement with  
270 the department, shall be issued such lower rate effective July 1, 2006.  
271 Effective October 1, 2006, no facility shall receive a rate that is more than  
272 three per cent greater than the rate in effect for the facility on September  
273 30, 2006, except any facility that would have been issued a lower rate  
274 effective October 1, 2006, due to interim rate status or agreement with  
275 the department, shall be issued such lower rate effective October 1, 2006.  
276 For the fiscal year ending June 30, 2008, each facility shall receive a rate  
277 that is two and nine-tenths per cent greater than the rate in effect for the  
278 period ending June 30, 2007, except any facility that would have been  
279 issued a lower rate effective July 1, 2007, than for the rate period ending  
280 June 30, 2007, due to interim rate status, or agreement with the  
281 department, shall be issued such lower rate effective July 1, 2007. For the  
282 fiscal year ending June 30, 2009, rates in effect for the period ending June  
283 30, 2008, shall remain in effect until June 30, 2009, except any facility that  
284 would have been issued a lower rate for the fiscal year ending June 30,  
285 2009, due to interim rate status or agreement with the department, shall

286 be issued such lower rate. For the fiscal years ending June 30, 2010, and  
287 June 30, 2011, rates in effect for the period ending June 30, 2009, shall  
288 remain in effect until June 30, 2011, except any facility that would have  
289 been issued a lower rate for the fiscal year ending June 30, 2010, or the  
290 fiscal year ending June 30, 2011, due to interim rate status or agreement  
291 with the department, shall be issued such lower rate. For the fiscal year  
292 ending June 30, 2012, rates in effect for the period ending June 30, 2011,  
293 shall remain in effect until June 30, 2012, except any facility that would  
294 have been issued a lower rate for the fiscal year ending June 30, 2012,  
295 due to interim rate status or agreement with the department, shall be  
296 issued such lower rate. For the fiscal years ending June 30, 2014, and  
297 June 30, 2015, rates shall not exceed those in effect for the period ending  
298 June 30, 2013, except the rate paid to a facility may be higher than the  
299 rate paid to the facility for the period ending June 30, 2013, if a capital  
300 improvement approved by the Department of Developmental Services,  
301 in consultation with the Department of Social Services, for the health or  
302 safety of the residents was made to the facility during the fiscal year  
303 ending June 30, 2014, or June 30, 2015, to the extent such rate increases  
304 are within available appropriations. Any facility that would have been  
305 issued a lower rate for the fiscal year ending June 30, 2014, or the fiscal  
306 year ending June 30, 2015, due to interim rate status or agreement with  
307 the department, shall be issued such lower rate. For the fiscal years  
308 ending June 30, 2016, and June 30, 2017, rates shall not exceed those in  
309 effect for the period ending June 30, 2015, except the rate paid to a  
310 facility may be higher than the rate paid to the facility for the period  
311 ending June 30, 2015, if a capital improvement approved by the  
312 Department of Developmental Services, in consultation with the  
313 Department of Social Services, for the health or safety of the residents  
314 was made to the facility during the fiscal year ending June 30, 2016, or  
315 June 30, 2017, to the extent such rate increases are within available  
316 appropriations. For the fiscal years ending June 30, 2016, and June 30,  
317 2017, and each succeeding fiscal year, any facility that would have been  
318 issued a lower rate, due to interim rate status, a change in allowable fair  
319 rent or agreement with the department, shall be issued such lower rate.

320 For the fiscal years ending June 30, 2018, and June 30, 2019, rates shall  
321 not exceed those in effect for the period ending June 30, 2017, except the  
322 rate paid to a facility may be higher than the rate paid to the facility for  
323 the period ending June 30, 2017, if a capital improvement approved by  
324 the Department of Developmental Services, in consultation with the  
325 Department of Social Services, for the health or safety of the residents  
326 was made to the facility during the fiscal year ending June 30, 2018, or  
327 June 30, 2019, only to the extent such rate increases are within available  
328 appropriations. For the fiscal years ending June 30, 2020, and June 30,  
329 2021, rates shall not exceed those in effect for the fiscal year ending June  
330 30, 2019, except the rate paid to a facility may be higher than the rate  
331 paid to the facility for the fiscal year ending June 30, 2019, if a capital  
332 improvement approved by the Department of Developmental Services,  
333 in consultation with the Department of Social Services, for the health or  
334 safety of the residents was made to the facility during the fiscal year  
335 ending June 30, 2020, or June 30, 2021, only to the extent such rate  
336 increases are within available appropriations. For the fiscal year ending  
337 June 30, 2022, rates shall not exceed those in effect for the fiscal year  
338 ending June 30, 2021, except the commissioner may, in the  
339 commissioner's discretion and within available appropriations, provide  
340 pro rata fair rent increases to facilities that have documented fair rent  
341 additions placed in service in the cost report year ending September 30,  
342 2020, that are not otherwise included in rates issued. For the fiscal year  
343 ending June 30, 2023, rates shall not exceed those in effect for the fiscal  
344 year ending June 30, 2022, except the commissioner may, in the  
345 commissioner's discretion and within available appropriations, provide  
346 pro rata fair rent increases to facilities which have documented fair rent  
347 additions placed in service in the cost report year ending September 30,  
348 2021, that are not otherwise included in rates issued. For the fiscal years  
349 ending June 30, 2022, and June 30, 2023, a facility may receive a rate  
350 increase for a capital improvement approved by the Department of  
351 Developmental Services, in consultation with the Department of Social  
352 Services, for the health or safety of the residents during the fiscal year  
353 ending June 30, 2022, or June 30, 2023, only to the extent such rate

354 increases are within available appropriations. There shall be no increase  
355 to rates based on inflation or any inflationary factor for the fiscal years  
356 ending June 30, 2022, and June 30, 2023. Notwithstanding any other  
357 provisions of this chapter, any subsequent increase to allowable  
358 operating costs, excluding fair rent, shall be inflated by the gross  
359 domestic product deflator when funding is specifically appropriated for  
360 such purposes in the enacted budget. The rate of inflation shall be  
361 computed by comparing the most recent rate year to the average of the  
362 gross domestic product deflator for the previous four fiscal quarters  
363 ending March thirty-first. Any increase to rates based on inflation shall  
364 be applied prior to the application of any other budget adjustment  
365 factors that may impact such rates. For the fiscal year ending June 30,  
366 2024, the department shall determine facility rates based upon 2022 cost  
367 report filings subject to the provisions of this section, adjusted to reflect  
368 any rate increases provided after the cost report year ending June 30,  
369 2022, and with the addition of a two per cent adjustment factor. No  
370 facility shall receive a rate less than the rate in effect for the fiscal year  
371 ending June 30, 2023. For the fiscal year ending June 30, 2024, the  
372 minimum per diem, per bed rate shall remain at five hundred one  
373 dollars for a residential facility licensed pursuant to section 17a-227 and  
374 certified to participate in the Title XIX Medicaid program as an  
375 intermediate care facility for individuals with intellectual disability.  
376 There shall be no increase to rates based on any inflationary factor for  
377 the fiscal year ending June 30, 2024. For the fiscal year ending June 30,  
378 2024, and each subsequent fiscal year, the commissioner may, in the  
379 commissioner's discretion and within available appropriations, provide  
380 pro rata fair rent increases to facilities that have documented fair rent  
381 additions placed in service in the cost report years that are not otherwise  
382 included in rates issued. For the fiscal year ending June 30, 2025, the  
383 department shall determine facility rates based upon 2023 cost report  
384 filings subject to the provisions of this section, adjusted to reflect any  
385 rate increases provided after the cost report ending June 30, 2023. A  
386 facility may receive a rate that is less than the rate in effect for the fiscal  
387 year ending June 30, 2024, but shall not receive a rate less than the

388 minimum per diem, per bed rate. For the fiscal year ending June 30,  
389 2025, the minimum per diem, per bed rate shall remain at five hundred  
390 one dollars for a residential facility licensed pursuant to section 17a-227  
391 and certified to participate in the Title XIX Medicaid program as an  
392 intermediate care facility for individuals with intellectual disability.  
393 There shall be no increase to rates based on any inflationary factor for  
394 the fiscal year ending June 30, 2025. For the fiscal year ending June 30,  
395 2026, the department shall determine facility rates based upon 2024 cost  
396 report filings subject to the provisions of this section, adjusted to reflect  
397 any rate increases provided after the cost report ending June 30, 2024.  
398 Additionally, the facility shall receive a rate that is one and four-tenths  
399 per cent greater than the calculated rate, except that any facility that  
400 would have been issued a lower rate effective July 1, 2025, due to interim  
401 rate status, or agreement with the department, shall be issued such  
402 lower rate effective July 1, 2025. For the fiscal year ending June 30, 2026,  
403 there shall be no minimum per diem, per bed rate for a residential  
404 facility licensed pursuant to section 17a-227 and certified to participate  
405 in the Title XIX Medicaid program as an intermediate care facility for  
406 individuals with intellectual disability. There shall be no increase to  
407 rates based on any inflationary factor for the fiscal year ending June 30,  
408 2026. For the fiscal year ending June 30, 2027, each facility shall receive  
409 a rate that is two and eight-tenths per cent greater than the rate in effect  
410 for the period ending June 30, 2026, except that any facility that would  
411 have been issued a lower rate effective July 1, 2026, than the rate for the  
412 period ending June 30, 2027, due to interim rate status, or agreement  
413 with the department, shall be issued such lower rate effective July 1,  
414 2026. On or after July 1, 2027, costs shall be rebased every two years, as  
415 determined by the commissioner and when funds have been specifically  
416 appropriated for such purpose. Rebasing will be based on the cost report  
417 period ending September thirtieth, as filed with the department, from  
418 the two years prior to the year in which the rebasing occurs. There shall  
419 be no inflationary increase to rates during a year in which rebasing  
420 occurs. Subsequent rate increases based on any inflationary factor shall  
421 be enacted within appropriations. Any increase to rates based on

422 inflation shall be applied prior to the application of any other budget  
423 adjustment factors that may impact such rates. For the fiscal year ending  
424 June 30, 2028, the issued rate shall be adjusted to reflect any rate  
425 increases provided after the cost report period ending June 30, 2026, and  
426 each facility shall receive a rate that is three per cent greater than the  
427 calculated rate, [in effect for the period ending June 30, 2027,] except that  
428 any facility that would have been issued a lower rate effective July 1,  
429 2027, than the rate for the period ending June 30, 2027, due to interim  
430 rate status, or agreement with the department, shall be issued such  
431 lower rate effective July 1, 2027. Effective January 1, 2028, each facility  
432 shall receive a rate that is three per cent greater than the rate in effect for  
433 the period ending December 31, 2027, except that any facility that would  
434 have been issued a lower rate effective January 1, 2028, than the rate for  
435 the period ending December 31, 2027, due to interim rate status, or  
436 agreement with the department, shall be issued such lower rate effective  
437 January 1, 2028. For the fiscal years ending June 30, 2024, and June 30,  
438 2025, a facility may receive a rate increase for a capital improvement  
439 approved by the Department of Developmental Services, in consultation  
440 with the Department of Social Services, for the health or safety of the  
441 residents during the fiscal year ending June 30, 2024, or June 30, 2025,  
442 only to the extent such rate increases are within available  
443 appropriations. For the fiscal years ending June 30, 2026, and June 30,  
444 2027, a facility may receive a rate increase for a capital improvement  
445 approved by the Department of Developmental Services, in consultation  
446 with the Department of Social Services, for the health or safety of the  
447 residents during the fiscal year ending June 30, 2026, or June 30, 2027,  
448 only to the extent such rate increases are within available  
449 appropriations. Any facility that has a significant decrease in land and  
450 building costs shall receive a reduced rate to reflect such decrease in  
451 land and building costs. For the fiscal years ending June 30, 2012, June  
452 30, 2013, June 30, 2014, June 30, 2015, June 30, 2016, June 30, 2017, June  
453 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June  
454 30, 2023, June 30, 2024, June 30, 2025, June 30, 2026, and June 30, 2027,  
455 the Commissioner of Social Services may provide fair rent increases to

456 any facility that has undergone a material change in circumstances  
457 related to fair rent and has an approved certificate of need pursuant to  
458 section 17b-352, 17b-353, 17b-354 or 17b-355. The Department of Social  
459 Services shall amend the regulations of Connecticut state agencies to  
460 allow for the waiver of the separate inflation cost limitation on direct  
461 care costs when rebasing rates for intermediate care facilities for  
462 individuals with intellectual disabilities after the fiscal year ending June  
463 30, 2027. Notwithstanding the provisions of this section, the  
464 Commissioner of Social Services may, within available appropriations,  
465 increase or decrease rates issued to intermediate care facilities for  
466 individuals with intellectual disabilities to reflect a reduction in  
467 available appropriations as provided in subsection (a) of this section.  
468 For the fiscal years ending June 30, 2014, and June 30, 2015, the  
469 commissioner shall not consider rebasing in determining rates.  
470 Notwithstanding the provisions of this subsection, effective July 1, 2021,  
471 and July 1, 2022, the commissioner shall, within available  
472 appropriations, increase rates for the purpose of wage and benefit  
473 enhancements for employees of intermediate care facilities. Facilities  
474 that receive a rate adjustment for the purpose of wage and benefit  
475 enhancements but do not provide increases in employee salaries as  
476 described in this subsection on or before July 31, 2021, and July 31, 2022,  
477 respectively, may be subject to a rate decrease in the same amount as the  
478 adjustment by the commissioner.

479 (2) The Commissioner of Social Services shall determine whether and  
480 to what extent a change in ownership of a facility shall occasion the  
481 rebasing of the facility's costs. There shall be no inflation adjustment  
482 during a year in which a facility's rates are rebased.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	17b-244(a) and (b)
Sec. 2	<i>July 1, 2026</i>	17b-340(h)

***Statement of Purpose:***

To require rebasing of rates for certain residential facilities not more often than every two years.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*