



*Written Testimony before the Aging Committee
Department of Social Services
February 20th, 2025*

Good morning, Chairs Hochadel and Garibay, Ranking Members Hwang and Bolinsky; and distinguished members of the Aging Committee. I am Andrea Barton Reeves, Commissioner of the Department of Social Services. I am pleased to offer remarks on two of the bills on today's agenda.

HOUSE BILL 6911: AN ACT CONCERNING ASSET LIMITS FOR HUSKY C BENEFICIARIES

House Bill 6911 requires the Department of Social Services to increase the asset limits for HUSKY C. HUSKY C provides health coverage to Connecticut residents who are 65 years of age or older, and/or who are blind or have a disability. The asset limits are currently \$1,600 for a single adult and \$2,400 for a married couple. This legislation would increase asset limits to \$10,000 for a single adult, and \$15,000 for a married couple. The bill also requires DSS to report to the legislature on the number of individuals eligible for HUSKY C, and the increased costs incurred as a result of this change.

While the Department is generally supportive of the Committee's efforts to address the affordability of health care coverage and the overall goals, this expansion of Medicaid would require a significant amount of funding that is not contemplated in the Governor's recommended budget.

State costs are projected to be approximately \$20.5 million in SFY 2026 and \$58.5 million in SFY 2027 (\$41 million and \$117 million respectively after factoring in the federal share) if the asset limit is increased from \$1,600 to \$10,000 for an unmarried person, and from \$2,400 to \$15,000 for married persons. The estimated annualized cost is \$75.9 million (\$151.7 million including the federal share). The Department would also incur significant administrative costs to support the increased volume in program enrollment that would result from these changes.

This estimate does not include costs related to long-term services and supports nor does it factor in the significant administrative costs to support the increased volume in program enrollment that would result from these changes.

Given the extensive costs involved and the fact that such costs are not included in the Governor's recommended budget, the Department cannot support this bill.

SENATE BILL 1279: AN ACT CONCERNING NURSING HOME STAFFING RATIOS

This bill calls for increases to minimum staffing level requirements for nursing home facilities of 3.6 hours of direct care per day effective July 1, 2026, and then a second increase to 4.1 hours of direct care per resident per day effective January 1, 2028. The initial increase, effective July 1, 2026, includes staffing increases of 0.66 hours of care by a registered nurse, 0.49 hours of care by a licensed practical nurse, and 2.45 hours of care by a certified nurse's assistant, and modifies staffing level requirements for social work and recreational staff to levels to be decided at a later period. The second increase, which is effective January 1, 2028, increases staffing to 4.1 hours of direct care and includes increases of 0.75 hour by a registered nurse, 0.54 hours of care by a licensed practical nurse, and 2.81 hours of care by a certified nurse's assistant, and modifies staffing levels further for social work and recreational staff to levels to be decided later.

These increases will result in significant unbudgeted cost increase to the state. Further, the language does not clarify if nursing homes would be able to utilize a combination of the various staffing categories (registered nurse, licensed practical nurses, certified nurse aide) to meet both increases to 3.6 hours and 4.1 hours. As such, the Department modeled three fiscal impact scenarios of the cost for the direct care staffing model nursing homes may use to operationalize the increases. Based on the models, DSS has determined that the direct care staffing increases would result in an increase to gross Medicaid expenditures of between \$99.6 million and \$242.2 million for both the proposed staffing increases in FY 2027 and FY 2028.

If the bill passed, nursing homes would have to implement the staffing changes and how each nursing home would operationalize is unknown. The Department reviewed several scenarios on how a home may meet the increased staffing and developed a range depending on nursing homes approach. The other costly aspect of the bill is it requires two staffing ratio increases within two years - each with high cost. For example, homes may use a combination of staffing categories to meet the 3.6 hours of direct care, but this would require \$99.6 million in gross hiring costs for new staff. Additionally, some homes may hire temporary agency workers to meet the requirement, and staffing agencies are more costly, thus increasing gross costs to over \$104.8 million. Last, the bill does not clarify staffing increases for recreational or social workers, and the Department was not able to model the fiscal impact of those particular staffing categories.

Cost increases are also expected as statewide occupancy is returning to pre-pandemic levels. Monthly census data shows statewide occupancy at 87.7% in December 2024, and increases continue slightly each month. As nursing home census increases, nursing homes will have to increase staffing to meet resident need, and costs are increasing inherently due to occupancy increases.

We would note that mandating higher minimum staffing levels runs counter to the acuity-based reimbursement system which recognizes that nursing homes serving lower acuity residents will not require the same staffing levels as those serving higher acuity residents. The acuity-based reimbursement system uses data on nursing home residents' care needs to calculate and update nursing home rates. This policy gives homes financial incentives to serve our highest needs residents and helps ensure that the state is a good fiscal steward of taxpayer dollars.

Connecticut's acuity-based reimbursement model became fully operational on July 1, 2024, and we are seeing shifts in spending as nursing homes are taking more acute residents. The goal of

the system is to divert Medicaid spend to direct care in support of resident care and services. Further analysis of the system will be forthcoming as more data is collected. Quarterly information on the increased case mix index for nursing homes is posted to the Department website as we track the resource needs of Connecticut nursing home residents. A link is provided here: <https://portal.ct.gov/dss/health-and-home-care/medicaid-nursing-home-reimbursement/nursing-home-reimbursement-acuity-based-methodology/cmi-averages>.

While the Department understands and appreciates the intent of this bill, and though DSS supports appropriate staffing ratios for nursing home residents that may lead to improved quality and care, the Department must oppose this bill for the reasons noted above.

SENATE BILL 1280: AN ACT CONCERNING THE RESPONSIBILITIES OF THE COMMUNITY OMBUDSMAN PROGRAM

This bill clarifies the responsibilities of the Community Ombudsman Program, which responds to complaints regarding care provided to recipients of home and community-based services administered by DSS. The proposed changes clarify that the Ombudsman program would have oversight over any individual offering long-term services and supports, whether formally or informally.

By way of background, DSS administers numerous Medicaid and state-funded home and community-based services programs serving more than 30,000 individuals who are either at risk of institutionalization or meet nursing home level of care. These are individuals throughout the state residing in single family homes and apartments, where it can be difficult to navigate provider agencies when service issues arise. The Ombudsman program provides services and advocacy for these individuals while also providing advocacy for long-term services and supports options and information on home and community-based services.

The Community Ombudsman program also strengthens the partnership that DSS already maintains with the Long-Term Care Ombudsman program for those individuals receiving home and community-based services in long-term care settings.

The changes recommended in this bill provide further clarification of the oversight of the Community Ombudsman Program and does not change the Department's responsibilities related to the Community Ombudsman Program. The Department supports this legislation.