



*Written Testimony before the Aging Committee
Commissioner Andrea Barton Reeves
Department of Social Services
February 28, 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 several of the bills on today's agenda

**HOUSE BILL 6984: AN ACT CONCERNING ADULT DAY CENTER
TRANSPORTATION**

This bill would increase the fee schedule, effective July 1, 2025, for adult day services by 10% over the prior year for the purpose of providing increased funding for adult day care transportation.

The Department estimates that this rate increase will result in additional costs of \$1.2 million in SFY 2026 with a state share cost of \$0.6 million, and \$1.6 million in SFY 2027 with a state share cost of \$0.8 million. The administration supports examining provider rates in a comprehensive fashion based on the results of the recently completed rate study. Additionally, in recognition of the costs incurred by providers due to the increases in the state's minimum wage and to ensure provider participation and access to services under Medicaid, the Governor's budget includes funding for rate increases for services provided by low wage workers, including adult day services. However, specific funding to enhance transportation is not included in the Governor's recommended budget.

DSS participated in the Strengthening Adult Day Services working group established through 2024 legislation. We heard directly from providers about their barriers and concerns surrounding transportation within the adult day service area. The two biggest takeaways we had from their transportation survey were that members were spending a significant amount of time on the center vehicles due to travel time and distance from the center. The other barrier was not enough center vehicles to meet the center demand on transportation. Additional funds for transportation may alleviate some of these issues, however, the increases proposed in this bill are not included in the Governor's recommended budget and, therefore, the Department cannot support this change at this time.

HOUSE BILL 6987: AN ACT CONCERNING CLOSURES AND EVACUATIONS OF RESIDENTIAL CARE HOMES AND NURSING HOMES

This bill proposes a number of changes related to closure and evacuation processes for residential care homes (RCHs) and nursing homes. The Department is commenting on the two sections pertaining directly to DSS.

Section 6 of this bill is duplicative of the current process. Currently, when a nursing home or residential care home closes, the Department's long-term care eligibility staff use DSS' computer system to enter the discharge information from the closing facility and the resident's admission to the new facility to ensure the resident is tracked to the correct nursing home. The Department is then able to adjust the Medicaid payment to the new nursing home upon admission of the resident. If the resident is pending Medicaid eligibility, the nursing home will work with DSS on the eligibility process and benefit enrollment.

Section 7 of this bill requires the Department of Public Health, in consultation with DSS, to conduct a study to determine alternative housing options when a resident is discharged from an RCH. The bill references studying a DSS-administered program, the Connecticut Housing Engagement and Support Services (CHESS), as a potential source of rental assistance program certificates for discharged RCH residents. CHESS does not have any housing subsidies available and is not a viable alternative for displaced RCH tenants due to the lack of housing subsidies, operational constraints and eligibility requirements. CHESS has very specific eligibility requirements that individuals in RCHs may not meet. The Department further notes that a recently released joint study by DSS, the Department of Housing, and the Department of Mental Health and Addiction Services recommended sunseting the CHESS program as it is currently operated. DSS recommends removing any reference to the CHESS program as part of any study that might move forward.

For the forgoing reasons, DSS cannot support this legislation.

SENATE BILL 13: AN ACT CONCERNING FINANCIAL FRAUD SCHEMES PERPETRATED AGAINST SENIOR CITIZENS

DSS supports the intent of the proposed bill, which creates a statewide elder abuse task force within the Department of Emergency Services and Public Protection (DESPP) and establishes an elder justice unit within the Office of the Chief State's Attorney.

Staff within DSS' Protective Services for the Elderly (PSE) unit already have a role in investigating elder abuse. PSE staff investigate reports of known or suspected physical, mental and emotional abuse; neglect; abandonment; and/or financial abuse and exploitation of adults aged sixty or older and who are living in the community or in long-term care facilities. The PSE program aims to

assist older adults in living with dignity, respect, and free of physical, emotional, or financial abuse and exploitation.

Any individual may report elder maltreatment to PSE. In Connecticut, under section 17b-451 of the general statutes, there are certain professionals (including physicians, nurses, nursing home staff, dentists, therapists, senior center employees, and others) who are mandated by state law to report suspected maltreatment of elders to the PSE program. Such reports may be made to PSE by individuals online, by phone, mail, or fax.

Upon receiving a report, PSE workers initiate an investigation in accordance with section 17b-452 of the general statutes. A DSS worker meets with the older adult to determine unmet needs and develop a comprehensive plan to address those needs. When necessary, staff will intervene immediately to safeguard the individual's health and well-being, such as by potentially seeking conservatorship protections for the older adult through the state's Probate Courts. The PSE program will also report matters to law enforcement when necessary to assure the health, safety and welfare of the older adult, and offer further assistance to law enforcement as may be requested. DSS looks forward to continuing to coordinate supports with both DESPP and the Office of the Chief State's Attorney to protect some of the state's most vulnerable residents from abuse, neglect, and exploitation and hold perpetrators accountable for any such misconduct.

In the event that this bill moves forward, DSS recommends that the bill be amended as follows:

1. Define specific terminology used throughout the bill. For example, DSS recommends that the language of the bill specifically define the terms "elder abuse," "elderly person," and "laws of the state concerning elder abuse." For context, some similar terminology applicable to DSS' PSE program is defined in section 17b-450 of the general statutes.
2. Clarify the scope of the investigations undertaken by the task force to ensure that there is no overlap of responsibilities with the PSE program.
3. Address how this task force would coexist and complement the work already being done by PSE and the manner in which the task force will collaborate with PSE given the applicable rules concerning the confidentiality of PSE records.

DSS is available to discuss these and any other changes to the bill, and looks forward to working with the Committee, DESPP, and the Office of the Chief State's Attorney on this important matter.

SENATE BILL 1332: AN ACT CONCERNING NURSING HOME FINANCIAL ACCOUNTABILITY AND NURSING HOME OWNERSHIP BY PRIVATE EQUITY COMPANIES AND REAL ESTATE INVESTMENT TRUSTS.

The Department is in support of better transparency into the ownership structure of nursing homes as we have seen increased interest in private equity in Connecticut nursing homes. Increased scrutiny is needed to prevent negative outcomes for patients, practitioners, and nursing home residents.

According to a 2023 study conducted by the federal Department of Health and Human Services, real estate investment trusts (REITs) and private equity account for approximately 8% of the investment in health care (\$100 billion). (*Health Affairs Scholar*, Volume 2, Issue 4, April 2024) The purpose of REITs and private equity is to generate profits for its shareholders, which often leads to cutting staffing costs, decreased healthcare quality, and other cost reductions. According to the aforementioned study published in *Health Affairs Scholar* in 2024, REIT investments were associated with a 6.25% decrease in nursing home staffing in years 2 and 3 after REIT investments. Private equity interest in nursing homes is increasing due to a variety of factors, including limited regulation, a fragmented delivery system, an aging population, and multiple avenues of profitability and cost reduction. The Department remains concerned with the increased interest by private equity in Connecticut nursing homes in light of the recent events seen within our hospital sector.

Recent federal CMS data shows that when a nursing home is acquired by private equity, residents are 11% more likely to have experienced a preventable emergency department visit and 8.7% more likely to experience an avoidable hospitalization. States are also experiencing increased closure of nursing homes. Since 2020, Nebraska has seen 11 nursing homes close after they were purchased by private equity firms and Pennsylvania has seen 30 homes close since 2019 after being purchased by private equity firms. This has left states grappling with ways to support their most vulnerable populations and states are exploring various ways to address.

Because nursing homes are asset-heavy organizations, meaning their value is closely linked to real estate and facilities, nursing homes seeking investments or access to capital funding are increasingly finding themselves turning to private equity rather than seeking traditional lines of credit through financial institutions. Due to the complex nature of the industry, including high operating costs, the majority of revenue being Medicare and Medicaid which cannot be easily used as collateral, and rates of resident turnover, it is difficult for banks to assess the ability of a nursing home to repay a loan and, as a result, they are often hesitant to loan money to nursing homes. To help address this, the Department proposes working on strengthening language to require transparency when private equity is involved and to put in place guardrails around these investments. DSS also proposes working with the legislature to identify different funding options for nursing homes so they are not reliant on private equity for capital improvement projects or lines of credit.

DSS is proposing greater transparency regarding the organizational structure of these investments to identify problematic actors, and recommends strengthening language under the Certificate of Need statute in consultation with the Department of Public Health, the state agency that approves nursing home ownership. Stronger language should include oversight of the acquisition, lease, transfer, exchange, receipt of a conveyance, creation of a joint venture, or any other manner of purchase of one or more nursing homes. This strengthened financial oversight

and transparency should also extend to the persons associated with these investments, whether a single person, corporation, partnership, or any other entity that is either acquiring or operating the nursing home.

The Department is in support of stronger language to improve oversight into private equity and to explore other means to help nursing homes fund essential capital projects and infrastructure investments and looks forward to working with the legislature on proposed language to protect our most vulnerable residents.

SENATE BILL 1333: AN ACT CONCERNING VALUE-BASED MEDICAID REIMBURSEMENT TO NURSING HOMES

This bill requires the establishment of a working group to study DSS' quality metrics program for nursing homes. This bill is duplicative of section 319 of PA 21-2 from the June 2021 special session, which required the Department to comply with collection and reporting of quality metrics after consultation with the nursing home industry, consumers, employees and the Department of Public Health.

In July 2022, the Department conducted extensive stakeholder meetings with the industry, consumers, DPH, the Long-Term Care Ombudsman, and legislative groups to develop a quality metric program. The model was developed over one year with the various groups and [posted to the Department website](#) and, in 2023, the value-based quality payment model was developed to align Medicaid payments with incentives for better resident outcomes. The model uses data and quality measures obtained from publicly available Centers for Medicare and Medicaid Services (CMS) and quarterly reports are issued to nursing homes on their status. Workgroups assisted in the determination of selected quality measures which included nursing home staffing ratios, seasonal vaccine, pressure ulcers, and a national consumer satisfaction measure called Core Q. The Department contracted with the UConn Center for Aging to conduct the consumer satisfaction survey to all nursing homes and year one of the consumer satisfaction results are posted on the Department website. Section 275 of PA 23-204 also requires the Department to submit a report by June 30, 2025 on the quality metrics program, including information on the individualized nursing home reports and the anticipated impact on nursing homes regarding possible funding of the program.

All information on the development of the value-based model as well as all presentations from the stakeholder meetings are [available at the Department's website](#).

The DSS report due in June will further discuss the model and DSS welcomes the opportunity to discuss advancement of the already established nursing home value-based payment model. This bill is duplicative of work already performed by DSS. DSS continues to be available to discuss value-based reimbursement at any time – legislation is not required for DSS to discuss with interested parties.

For the above-mentioned reasons, the Department cannot support this bill.