

# CAHCF/CCAL

Connecticut Association of Health Care Facilities  
Connecticut Center for Assisted Living

March 22, 2021

The Honorable Ned Lamont  
Governor  
State of Connecticut  
Executive Chambers  
State Capitol  
Hartford, CT 06106

Dear Governor Lamont:

I am writing to ask for the opportunity to speak with you personally to request that you continue to make the urgent needs of our hard-hit Connecticut nursing homes a high priority in both the state Appropriations process and in the dispersing of federal American Rescue Funds.

I know that you are well aware that the nursing home occupancy decline experienced due to ongoing pandemic has created unprecedented financial consequences to our already underfunded nursing homes. The federal and state funding received this far has been a critical lifeline, but a very substantial increase in help is needed in the state budget Connecticut adopts this session, in combination with new federal funds and higher federal matching rates.

Connecticut nursing homes have never experienced a period of financial instability like this. Occupancy is now down fifteen percent from pre-Covid times (from 88% to 72%). Addressing the resulting increase per resident costs in equally higher Medicaid rates would require a 14% increase in Medicaid rates amounting to \$177 million increased Medicaid appropriation annually. The pandemic has once more exposed the longstanding Medicaid underfunding of Connecticut nursing homes. If nursing home were funded in accordance with the rate setting formula, the allowable calculated rates per day would equate to \$270.52 per day. Instead, for state budgetary reasons, the average issued rate to nursing homes of \$239.96 (as of 06/30/2019) has represented an annual underfunding of otherwise reimbursable costs of \$30.56 per patient day which, equates to and underfunding of \$135,159,193. A 9.2 percent Medicaid increase is required to address this longstanding issue. The pressure to

increase staffing is estimated to cost hundreds of millions more. Many providers have needed to defer paying their nursing home provider taxes. Many nursing homes are forecasting cash shortages on the immediate horizon.

As we move forward, please know that we are prepared to discuss solutions to nursing home voluntary licensed bed reductions, rightsizing and quality incentive payment features in the rates.

I hope we can meet as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Santilli', written in a cursive style.

Lawrence G. Santilli, Chair,  
CAHCF/CCAL Board of Directors

Cc: Matt Barrett, CAHCF/CCAL President and CEO