Meeting called to order at 9:39 A.M.

Introductions

• Members introduced themselves.

Approval of Minutes from October 24, 2019 Meeting

• Motion to approve the October 24, 2019 meeting minutes was made by Matthew Barrett and seconded by Anne Foley. Minutes were adopted on a voice vote.

Nursing Facility Payment Modernization Project Update – DSS Staff

• Kate McEvoy began the update by providing the following context:
  o Connecticut has the benefit of learning from other states that have implemented a value-based reimbursement methodology.
  o DSS is committed to open dialogue with providers and using feedback to inform the process.
    To that end DSS has developed a dedicated web page, held webinars and in-person meetings.
  o Ms. McEvoy expressed gratitude to Mag Morelli and Matt Barrett for being a conduit for feedback from the industry.
  o DSS is working with Susan Keane in response to Representative Walker’s request for an educational forum for legislators.

• Nicole Godburn provided the following update:
  o All service providers are working with Myers & Stauffer to scrub Long Term Care Minimum Data Set (MDS) data.
  o Data from providers will be used to create member rosters. The rosters in turn will be used to create the case mix model.
  o Goal: by the end of March or early April DSS and Myers & Stauffer will hold stakeholder meetings to present the case mix model and engage in dialogue and receive feedback.
  o More specific details on the case mix model implementation timeline will be released in the future.
Discussion ensued. The following are highlights:

- Matt Barrett acknowledged that monthly industry meetings have been helpful. He suggested holding a series of topic specific calls that are advertised by their subject matter, individual calls on topics such as: “value-based purchasing” and “budget neutrality” would be helpful. Nicole Godburn confirmed that DSS’ plans to engage in topic specific webinars, calls and in-person meetings once Myers & Stauffer has developed a mode. She emphasized DSS’ goal to educate and engage providers in as many ways as possible to ensure the industry is comfortable before implementation. Matt Barrett noted the industry would appreciate at least three weeks to evaluate the model before implementation.

- Nicole Godburn confirmed that DSS’ plans to engage in topic specific webinars, calls and in-person meetings once Myers & Stauffer has developed a mode. She emphasized DSS’ goal to educate and engage providers in as many ways as possible to ensure the industry is comfortable before implementation. Matt Barrett noted the industry would appreciate at least three weeks to evaluate the model before implementation.

- Kate McEvoy agreed to circulate the Myers & Stauffer presentation from MAPOC.

- Kate McEvoy noted DSS’ intention to memorialize each interval of decision making with a written issue brief that will be posted on the dedicated DSS web page.

- Mag Morelli noted that short-term care homes have not always completed the MDS as fully as long-term care homes because their reimbursement was not tied to it. She is concerned that short-term facilities will be negatively impacted in the initial role out based on current data sets. She suggested that DSS engage with short-term care entities such as the Alzheimer Resource Center, to discuss the impact of the initial transition to the new payment model. Deputy Commissioner Aaron indicated that she believes that short-term stay homes will need dedicated staff to accurately complete the MDS each day. She expressed concern that these facilities may not have the budget to hire such a person. Nicole Godburn agreed to touch base with Myers & Stauffer to see if they are receiving different feedback from short-term versus long-term stay homes and if so, how they plan to address the matter. Kate McEvoy stated that it would be helpful to know from the industry if there is a cohort of homes that require special assistance.

- Anne Foley requested that staff from Myers & Stauffer be present at the next Nursing Home Financial Advisory Committee meeting on April 15th to provide an update and answer questions.

- Barbara Cass asked Mag Morelli if the Associations will be providing MDS training. Mag Morelli responded that LeadingAge provides annual MDS training, but the issue is that the short-term care homes have not completed MDS to date in detail. Representative Walker cautioned state agencies not to rely on the Associations to handle provider training. She would like DSS to work collaboratively with the Associations. Kate McEvoy clarified that it is DSS’ intention to do so. Barbara Cass added that DPH has access to a national training platform that may be able to be available to the industry. Commissioner Coleman-Mitchell affirmed that DPH has a dedicated MDS trainer on staff and she can reach out to her regarding options.

- Mairead Painter reminded the group that MDS is not new and homes have been trained on its utilization and should be using it. Commissioner Gifford supported Ms. Painter’s comment and noted the only difference is that the data will now be used to drive payment. Representative Walker notes that she is pleased learn this is not a new data collection process for providers but wants to make sure all providers fully understand MDS now that it is tied to payment.

- Kate McEvoy confirmed that DSS is still targeting a 7/1/20 implementation date and will let the industry know in advance of any changes to that timeline.

- Larry Santilli asked about data review after initial implementation. Nicole Godburn responded that data will be submitted and adjusted each quarter.

- There was discussion regarding the whether the new reimbursement methodology should go into statute. DSS noted its preferred mechanism would be to include methodology in a State Plan Amendment (SPA) and regulation. SPAs provide a formal opportunity for public comment and allow DSS to be nimble and more timely when adjustments are required. Representative Walker reminded DSS not to bypass the legislature. Kate McEvoy assured Representative
Walker that DSS will utilize all required public comment processes and go through the legislature’s regulatory review committee. Commissioner Gifford reinforced her preference for using SPAs and regulation for this purpose. Kate McEvoy concluded the conversation by stating that, in the near-term, SPAs and regulations will be used to document terms of the acuity-based method.

- Anne Foley added that OPM is currently working with DSS to clean-up existing payment methodology statutes that have become complex over the years as revisions have occurred. Kate McEvoy noted that the statute includes rate methodologies and revisions going back several decades. Mag Morelli informed members that nursing home audits currently go back 7-8 years and losing the detail of rate methodology changes may be problematic at this time. Representative Walker added that legislators find the historical progressions in statutes helpful and requested that all of the historical detail remain in the statutes.

- Larry Santilli provided his perspective on the history of nursing home rates in Connecticut and expressed the opinion that homes have been chronically underfunded and are collectively operating at a $125 million deficit. He then queried how homes can implement a case-mix system that does not address this. He also commented that the industry is seeking to shift its payer mix to improve the percentage of private pay residents. Matt Barrett indicates that the association will raise these issues during the legislative session. Larry Santilli offered the opinion that additional funding must be provided, or a stop-loss implemented. Dawn Lambert offered a contrasting opinion that the transition to an acuity-based model will work to the financial advantage of nursing homes because funding will be tied to actual need.

Members discussed the potential for the case-mix to exclude overhead costs and leave homes inadequately compensated. Larry Santilli shared that he is not against case-mix utilization but overhead must be accounted for somewhere in reimbursement. Commissioner Gifford noted that the topic of stop-loss, occupancy and overhead would be a good for the individual discussions DSS is planning to have with the industry. Commissioner Coleman-Mitchell stressed that DPH’s focus will continue to be on adequate staffing and quality of care. Mag Morelli concluded the discussion by stating that the industry agrees with the concept of matching funding to actual need, but cautioned, that if homes are not funded properly no one will realize the desired outcomes.

**DSS Update on Pending Nursing Home Interim Rate Increases**

Kate McEvoy and Kathy Shaughnessy provided the following update:

- To fulfill Public Act 19-117 and a provision of the state budget, effective July 1, 2019, DSS: (1) implemented the 2% increase in nursing home rates that were appropriated for the purpose of enhancing wages and benefits for staff, retroactive to July 1 (this is the first of three phased increases across the biennium); and (2) rebased nursing home rates by removing “stop-loss” protections around reduction of rates for homes with occupancy rates of less than 70% (the alternate provision for homes with low quality ratings was determined not to result in any additional homes being impacted).

  - The removal of “stop-loss” protections is one of the state’s strategies to respond to data that: (1) shows that we have a current excess of licensed nursing home beds; and (2) predicts that the state will see a major increase in demand for Medicaid-funded home care, and a significant reduction in demand for nursing home care.

  - As of 12/20/2019, the overall Connecticut nursing home occupancy rate was 87.1%. The optimal occupancy rate is typically around 95%. The minimum occupancy rate that is approved by CMS for purposes of addressing excess capacity is 90%.

    - The impact of both the rate increase and the rebasing was that, retroactive to July 1, 2019: (1) of the 213 total nursing homes in Connecticut, 204 experienced a net increase in
reimbursement; and (2) nine nursing homes, about 4% of providers, experienced a net
decrease in reimbursement. These include Quinnipiac Valley Center (Wallingford), Arden
House (Hamden), Hewitt Health & Rehabilitation Center (Shelton), Kimberly Hall South Center
(Windsor), Wolcott Hall Nursing Center (Torrington), Meridian Manor Corporation
(Waterbury), Village Green of Bristol Rehab & Health Center (Bristol), Governor’s House
(Simsbury), and Carolton Chronic and Convalescent Center (Fairfield).

- DSS received interim rate requests from Apple, Genesis and Meridian Manor. These requests cover
eight of the above nine homes that received rate reductions.
- DSS notified and reached out to the ninth home, Carolton Gardens, but has not received an interim
rate request from that facility.
- DSS has entered into interim rate agreements with seven of the homes, resulting in restoration of
rates retroactive to July 1, 2019, contingent on: (1) a total reduction of 503 licensed beds; (2) closure
of a home (not one of the nine); and (3) agreements to work with DSS on repurposing beds for high
need uses, including, but not limited to, ventilator/hemodialysis and neuro rehab.
  - Apple, with respect to its two affected homes: Hewitt Health & Rehabilitation Center (Shelton)
and Wolcott Hall Nursing Home Center (Torrington). This agreement includes restoration of
rates at those homes, reduction of licensed beds, and also closure of the Westfield Care and
Rehabilitation Center in Middletown under the new statutory voluntary petition to close
process. In total, 167 beds are being delicensed.
  - Genesis, with respect to its five affected homes: Village Green (Bristol), Kimberly Hall South
(Windsor), Quinnipiac Valley Center (Wallingford), Governors House (Simsbury), and Arden
House (Hamden). This agreement includes restoration of rates at those homes, reduction of
licensed beds, and an agreement to work with the Department on re-purposing beds for state
priorities (e.g. neuro-rehab, bariatric). In total, 336 beds are being delicensed.
- DSS is in process of a range of long-term services and supports “rebalancing” activities. An important
next stage after the above rebasing of rates is to transition to acuity-based nursing home rates. A part
of that process will be to examine how to account for overhead costs in the new rate system for
homes that are operating at reduced bed capacity. Simply delicensing beds, and retaining all the prior
overhead obligations, does not achieve cost efficiencies for the state.

Receiverships/Closures/Bankruptcies

- Kathy Shaughnessy provided the following report on receiverships/closures/bankruptcies:
  - **Bankruptcy:** On January 7th, 2020, the court granted a motion to close Bridgeport Healthcare
Center (BHC) due to bankruptcy. The facility is in very poor condition and is on a campus with
severe contamination/brownfield issues. Kate Sacks is in place and working with the
Department on financing operations for support of residents as the home closes. Money
Follows the Person (MFP) and Long-Term Care Ombudsman staff is also actively on site. As of
January, 2020, BHC reported census of 168 residents. BHC has 240 licensed beds. After
moving the BHC residents to area facilities, there will be 217 open beds still available, 94.4%
occupied. 20 residents are currently in stages of MFP transition, and based on experience, we
can anticipate 20 additional transitions to community. This will increase the 217 open bed
figure. There are currently 385 nursing home beds available within the Bridgeport and 15-mile
radius, 90.1% occupied. Commissioner Gifford stated that DSS and DPH explored every means
possible to keep Bridgeport viable. It was not possible.
  - **Receiverships:** Waterbury Gardens - Receiver is currently doing a financial review for viability.
  - **Closures:** (1) Lourdes Health Center is closing voluntarily. There is a small number of residents
there. (2) Apple Rehab is closing one facility. DSS is waiting on the Certificate of Need.
Quality of Care Update

- Barbara Cass shared a copy of the Citation Frequency Report. She highlighted the fact that after years of being the number one citation for the State, falls has dropped to the second most cited citation. Although she cannot directly correlate this small shift with the Safety Summit that DPH held in partnership with the Long-Term Care Ombudsman program and other stakeholders, the timing is encouraging.
- Barbara Cass noted that there have been a few immediate jeopardies, but they are not indicative of a trend. All were unique situations that have been addressed.
- Barbara Cass disseminated a sample Deficiency Count Report and noted that it is now available in the public domain.

Other Business

- Matt Barrett requested that an updated number of licensed nursing facility beds be distributed at the next meeting so that everyone is working off the same number during the legislative session. Anne Foley noted that the next meeting is not until April and requested that DSS circulate that number prior to the start of session. DSS agreed to do that.

Adjournment

Meeting adjourned at 11:48 A.M.