

# CAHCF/CCAL

Connecticut Association of Health Care Facilities  
Connecticut Center for Assisted Living

January 19, 2022

The Honorable Deidre S. Gifford, MD, MPH  
Commissioner  
Department of Social Services  
55 Farmington Avenue  
Hartford, CT 06106

The Honorable Melissa McCaw  
Secretary  
Office of Policy and Management  
450 Capitol Ave  
Hartford, CT 06105

Dear Commissioner Gifford and Secretary McCaw,

On behalf of the Connecticut Association of Health Care Facilities ("CAHCF), we want to continue to express our gratitude for your support and partnership during the COVID-19 pandemic and public health emergency as we have worked together to address the serious financial and public health challenges faced during the pandemic and as we strive to deliver high quality care now and in the future.

At this time, we must once more request that your office stay the course on a public policy that provides additional financial support to Connecticut's critically important skilled nursing facility sector during this now elongated period of occupancy and financial recovery as we continue to work together in responding to the COVID-19 pandemic and public health emergency. Through no fault of our Connecticut nursing homes, it is simply the case, and clearly apparent, that prior estimates of nursing home occupancy and financial recovery by April 1, 2022 were flawed due to unknown variants of the virus and the associated negative impact on staffing. Our latest estimates now show that a much more realistic recovery benchmark is October 1, 2022. In support of this request, a financial/labor cost survey was completed this week demonstrating an unprecedented and unanticipated thirty-five percent (35%) labor costs increases that are now the norm in the sector. Therefore, we are specifically requesting the following and seek the opportunity to review this matter with you at the earliest possible date:

- 1) **25% ARPA-Funded Recovery Rate Increase.** A twenty-five percent (25%) equivalent rate increase funded with American Recovery Plan resources for the period April 1, 2022 to September 30, 2022, which marks the end of the 2022 cost reporting rate setting period. CAHCF conducted a financial survey of its members which showed that the extraordinary labor cost increases were not anticipated and included in the discussed recovery estimates in April and May 2021 when the public and budget policy ultimately providing a 10% rate increase to March 31, 2022 was being formulated by the Executive Branch. Moreover, prior estimates did not contemplate the impact of the Delta variants of COVID-19, Omicron, or the severe staffing shortages and labor costs increases that have emerged in our state.
  
- 2) **Corresponding Delay to 9-30-22 - 85% Occupancy Plan.** A corresponding delay to no sooner than September 30, 2022 and ongoing review of the policy to require a plan of action for certain nursing homes when occupancy is below an 85% threshold.
  
- 3) **Reform/CAP Nursing Pools Fees.** In addition to the ongoing review of Connecticut's Office of the Attorney General, and further deliberations on more reaching regulatory oversight of nursing pool staffing agencies, the associations are recommending immediate action to cap the fees such agencies may charge to \$35.00 for a CNA, \$50 for an LPN, and \$80 for an RN. Please see the attached framework either as an executive order or statutory enactment. Reform is badly needed on a fast track---not only to curb these anti-competitive practices, but because the exorbitant fees now being charged are significantly contributing to the increased labor costs and staffing shortages and are directly hindering the occupancy/financial recovery of the sector. In support of this request, a nurse pool cost survey was completed and average hourly rates increased as follows:

	2019	Today	Increase
CNA	\$30.00	\$53.00	75%
LPN	\$45.00	\$89.00	98%
RN	\$76.00	\$104.00	36%

In addition to the increase in nursing pool hourly fees, the industry has seen a dramatic increase in number of agency hours utilization including a 343% and 56% increase in CNA and nurse hours since 2019. This represents over 520,000 and 242,000 hours of CNA and Nursing Annual Hours that would need to be hired directly by skilled nursing facilities to eliminate nursing pool.

- 4) **Achieving Rightsizing/Rebalancing Policy Objects with Reimbursement Policies.** Our associations agree that advancing LTSS rightsizing/rebalancing

objectives is appropriate as we move to the other side of the COVID-19 public health emergency. However, as stated above in item # 2, we believe it will be premature and harmful if we accelerate those objectives when occupancy/financial recovery is distorted and in flux due to staffing shortages. However, a full range of policies should be considered in a collaboration with nursing homes, including: payment reforms that disallow costs for unused space: policies that encourage downsizing by compensating facilities in the rates when rightsizing objectives are achieved; policies that encourage infection prevention strategies through facility renovations or additions along with Medicaid rate and property reimbursement adjustments in the rates: policies that encourage capital improvements in the rates; policies that promote quality care in the form of value based rate additions; and more. CAHCF pledges to continue to work with your offices toward these objectives as we seek to address the dramatically increased needs of our states ever-aging population.

We believe that advancing a strategy that together merges these related objectives stated above is the best approach. CAHCF's Chair, Lawrence Santilli, and the leadership of our associations would be grateful for the opportunity to meet with you concerning this matter at the earliest possible date.

Sincerely,



Matthew V. Barrett,  
President/CEO

Connecticut Association of Health Care Facilities (CAHCF)

Cc: Lawrence Santilli, Chair, CAHCF  
Mag Morelli, President, LeadingAge Connecticut

Attachments.

## **NURSING POOL AGENCY RATE CAP PROPOSED STATUTORY PROVISION**

In no event shall the rates charged by nursing pool agencies providing personnel to health care providers in the State of Connecticut exceed on an hourly basis: (1) thirty dollars (\$30.00) for Certified Nurse Aides; (2) forty-five dollars (\$45.00) for Licensed Practical Nurses; and (3) sixty dollars (\$60.00) for Registered Nurses.