



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

September 8, 2015

Matt Barrett
Connecticut Association of Health Care Facilities
111 Founders Plaza Suite 1002
East Hartford, CT 06108

Mag Morelli
LeadingAge Connecticut
110 Barnes Road, Wallingford, CT 06492

David Pickus
SEIU Healthcare 1199NE
77 Huyshope Ave.
Hartford, CT 06106

Dear Mr. Barrett, Ms. Morelli and Mr. Pickus:

Because I appreciate how difficult it has been to implement the nursing home wage enhancement initiative provided in the current budget without a better context of what the appropriation supports in terms of wage and benefit enhancements, I am writing to provide that context.

We are assuming that the \$26 million provided for wages supports average increases above 3% for identified wages across the board (not accounting for wage increases provided in the 2015 cost report year) which could result in an average Medicaid rate increase of 1.84 %. Please note that these are averages, so that higher increases may be supported for lower wage workers. I hope that wage increases will be structured in a way to support continued improvement in quality of care, including improvements to hiring rates that are commensurate with average wage increases.

I have also authorized an additional \$9.6 million for wage and benefit enhancements, including pension programs, health insurance, contracted salaries and training enhancements. Use of this funding to provide pension benefits to employees who now lack them will be especially helpful in reducing employee turnover and augmenting the quality of care in our nursing homes. I believe that these funds will support meaningful improvements in the cost and quality of retirement security and health coverage across this vital industry.

Distributions of both categories of new funding will be based on the actual costs of wage increases, benefit changes, pensions, and other categories described above. This proposed methodology to distribute the new nursing home funding is currently being reviewed by CMS. DSS will post guidance and

information requests on their website soon based on preliminary review by CMS. They will also include the sample calculation provided to CMS in the draft State Plan Amendment (SPA).

I hope this information proves helpful.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben Barnes", with a long horizontal flourish extending to the right.

Ben Barnes
Secretary

Cc: Commissioner Rod Bremby, DSS
Mark Ojakian, Office of the Governor