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State Pressed To Pay Up

Nursing Homes Say They Are Owed Millions, Threaten To Go To Federal Regulators

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Saying they are owed \$50 million by the state, Connecticut's nursing homes in Connecticut are threatening to go to federal regulators in Washington to demand payment.

The cash-strapped homes say the delay in payments is severely hurting their cash flow, making it difficult to run their homes. In an ongoing dispute with the state, officials say most of the money is more than 60 days past due and some is back-owed as much as a year.

The homes have been complaining about the lack of payments since last year, but the dispute moved to a new level this week when an attorney from the Hartford law firm Murtha Cullina wrote to the state demanding payment.

"Connecticut nursing homes cannot continue to operate under these conditions," said the letter from attorney Martha Everett Meng, who represents an association of 116 nursing homes in the state. "These homes cannot and should not be expected to carry outstanding Medicaid receivables for extended periods of time. Failure to resolve this problem will lead to the need for layoffs and other drastic measures."

Some state legislators learned about the latest skirmish Friday, which spilled into a public hearing regarding the state budget. The issue arose when state Sen. Edith Prague, one of the legislature's most outspoken advocates for the elderly, questioned Michael Starkowski, the commissioner of the Department of Social Services, at a hearing on the department's budget request. The overall social services budget for the state will be about \$5 billion in the next fiscal year, including about \$1.4 billion for nursing homes.

"How can we expect nursing homes to provide the care we want them to provide?" Prague asked Starkowski, the state's top official on the issue.

The payments have been delayed, Starkowski said, because the state is still trying to figure out which elderly patients are eligible for Medicaid payments. If they are not eligible under the complicated laws of transferring assets to become poor enough for government funding, the state cannot be obligated to pay.

"It could be the individual hasn't divulged their financial information for the past five years," Starkowski said. "I can't verify whether that number [\$50 million] is correct or not."

Some state officials want to avoid a scenario in which the federal government could conduct an audit and find that federal funding was provided to a nursing home patient who does not qualify. Of the \$1.4 billion that Connecticut spends on nursing homes, half is appropriated by the federal government and half by the state, and

the state wants to avoid jeopardizing the federal money.

"We can't risk \$700 million just to expedite the applications," Starkowski said. "It's a difficult process. It's not an easy process."

But Toni Fatone, an attorney who runs an association of for-profit and not-for-profit homes, said federal law calls for eligibility determinations to be made in 45 days — meaning payments overdue beyond 60 days are clearly too late.

"It is impacting every single nursing home in this state," Fatone said. "It says 45 days. Period. ... Our backs are against the wall that we would not be able to work this out informally with the state. If we don't get a satisfactory answer, we're prepared to file a formal complaint" with the federal agency that oversees Medicaid.

A series of other medical providers have complained that they have not received Medicaid rate increases that were due last July, but Starkowski said Friday they would be paid retroactively.

Those payments will go to hospitals, doctors, dentists, clinics, and ambulance companies, among others. Lobbyists for the various medical practitioners have been working hard at the Capitol to get the state to pay for the rate increases. The state had set aside an additional \$20 million to encourage dentists to accept the chronically low Medicaid rates, and a lawsuit has finally been settled that would allow the dental increases to take place on April 1.

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