

General Assembly

Substitute Bill No. 5313

February Session, 2022



AN ACT CONCERNING REGISTRATION OF TEMPORARY NURSING SERVICES AGENCIES AND MAXIMUM RATES FOR TEMPORARY NURSING SERVICES AT NURSING HOME FACILITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (Effective July 1, 2022) (a) As used in this section and sections 2 and 3 of this act, (1) "health care facility" means a hospital, 3 residential care home or nursing home facility as those terms are defined 4 in section 19a-490 of the general statutes; (2) "fixed-term nursing 5 services" means services provided under contract for not less than 6 ninety consecutive days exclusively to a health care facility by nursing 7 personnel (A) whose permanent residence is at least two hundred miles 8 from the health care facility, and (B) who establish a temporary 9 residence and incur expenses for temporary accommodations paid for 10 by a temporary nursing services agency to provide such services; (3) 11 "nursing personnel" means an advanced practice registered nurse, a 12 licensed practical nurse or a registered nurse licensed or issued a 13 temporary permit to practice pursuant to chapter 378 of the general 14 statutes or a nurse's aide registered pursuant to chapter 378a of the 15 general statutes; (4) "temporary nursing services" means services 16 provided to a health care facility on a per diem or other temporary basis 17 but does not include fixed-term nursing services; and (5) "temporary 18 nursing services agency" means any person, firm, corporation, limited

- liability company, partnership or association that is engaged for hire in
- 20 the business of procuring or providing temporary nursing services to a
- 21 health care facility but does not include (A) a health care facility or
- 22 subsidiary thereof that supplies nursing personnel to its own facility
- 23 only and does not charge a fee to such facility, or (B) an individual who
- offers only his or her own temporary nursing services.

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- 25 (b) Not later than October 1, 2022, the Commissioner of Public Health 26 shall develop a system for a temporary nursing services agency that 27 provides services in the state to register annually with the Department 28 of Public Health. The commissioner may assess an annual registration 29 fee of not more than seven hundred fifty dollars.
 - (c) Not later than January 1, 2023, no temporary nursing services agency shall provide temporary nursing services in the state unless it is registered pursuant to subsection (b) of this section.
- 33 (d) The Commissioner of Public Health shall adopt regulations, in 34 accordance with the provisions of chapter 54 of the general statutes, to 35 establish requirements for a temporary nursing services agency, 36 including, but not limited to: (1) Minimum qualifications for nursing 37 personnel provided by such agency, and (2) an annual cost report for 38 the previous calendar year to be filed by such agency not later than 39 January fifteenth with the commissioner. Such report shall detail (A) 40 revenues and costs in the state, (B) average fees charged by such agency 41 to a health care facility in the state by type of nursing personnel, and (C) 42 the states of the permanent residences of nursing personnel supplied by 43 the agency to health care facilities in the state, aggregated by type of 44 nursing personnel. Each such agency shall make available records, 45 books, reports and other data relating to its operation at the request of 46 the commissioner or the commissioner's designee.
 - Sec. 2. (NEW) (*Effective July 1, 2022*) (a) A temporary nursing services agency shall enter into a written agreement with each health care facility to which the agency assigns its nursing personnel. The agreement shall contain an assurance that assigned nursing personnel have appropriate

credentials. The agreement shall be on file at both the temporary nursing services agency and the health care facility not later than fourteen days from the date of assignment.

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- (b) Any health care facility that fails to have the agreement described in subsection (a) of this section on file may be subject to disciplinary action in accordance with the provisions of chapter 368v of the general statutes and any applicable licensing regulations.
- Sec. 3. (NEW) (*Effective July 1, 2022*) (a) Any person aggrieved by any action of a temporary nursing services agency may petition the superior court for the judicial district in which the agency's temporary nursing services were rendered for relief, including temporary and permanent injunctions, or may bring a civil action for damages.
- (b) Any temporary nursing services agency that violates any provision of section 1 or 2 of this act may be assessed a civil penalty by the court not to exceed three hundred dollars for each offense. Each violation shall be a separate and distinct offense and, in the case of a continuing violation, each day of continuance thereof shall be deemed to be a separate and distinct offense. The Commissioner of Public Health may request the Attorney General to bring a civil action in the superior court for the judicial district of Hartford for injunctive relief to restrain any further violation of section 1 or 2 of this act. The Superior Court shall grant such relief upon notice and hearing.
- Sec. 4. (NEW) (*Effective July 1, 2022*) (a) As used in this section, "temporary nursing services agency", "fixed-term nursing services" and "nursing personnel" have the same meaning as provided in section 1 of this act and "nursing home facility" has the same meaning as provided in section 19a-490 of the general statutes. Not later than January 1, 2023, the Commissioner of Social Services, in consultation with the Commissioner of Public Health, shall establish maximum rates a temporary nursing services agency may charge a nursing home facility in the state by type of nursing personnel provided by such agency. The rates shall include an allowance for wages, payroll taxes, workers'

- compensation insurance, training and fringe benefits, which shall be based upon median wages, payroll taxes and fringe benefits paid to permanent staff nursing personnel of the same type at nursing home facilities in the same geographic region.
- (b) The Commissioner of Social Services shall include in the rates an allowance for reasonable administrative expenses and a reasonable profit factor for a temporary nursing services agency, as determined by the commissioner, but in no event shall the profit factor exceed fifteen per cent. The commissioner may set higher rates for certain fixed-term nursing services personnel who work exclusively at a nursing home facility under a contract with such facility for a period of not less than ninety days.
- (c) The Commissioner of Social Services may adopt regulations in accordance with the provisions of chapter 54 of the general statutes to implement the provisions of this section. Beginning January 15, 2024, temporary nursing services agencies shall submit to the commissioner annual cost reports, which may be subject to audit, that include data on average fees charged by such agencies to nursing home facilities in the state by type of nursing personnel such agencies supply to such facilities and wages paid and benefits provided to such nursing personnel. The commissioner shall consider such reports and annual nursing home facility cost reports, provided by such facilities to the commissioner pursuant to section 17b-340 of the general statutes, as amended by this act, when adjusting maximum rates temporary nursing services agencies may charge such facilities for nursing personnel.
- Sec. 5. Subsection (a) of section 17b-340 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- (a) For purposes of this subsection, (1) a "related party" includes, but is not limited to, any company related to a chronic and convalescent nursing home through family association, common ownership, control or business association with any of the owners, operators or officials of

such nursing home; (2) "company" means any person, partnership, association, holding company, limited liability company or corporation; (3) "family association" means a relationship by birth, marriage or domestic partnership; and (4) "profit and loss statement" means the most recent annual statement on profits and losses finalized by a related party before the annual report mandated under this subsection. The rates to be paid by or for persons aided or cared for by the state or any town in this state to licensed chronic and convalescent nursing homes, to chronic disease hospitals associated with chronic and convalescent nursing homes, to rest homes with nursing supervision, to licensed residential care homes, as defined by section 19a-490, and to residential facilities for persons with intellectual disability that are licensed pursuant to section 17a-227 and certified to participate in the Title XIX Medicaid program as intermediate care facilities for individuals with intellectual disabilities, for room, board and services specified in licensing regulations issued by the licensing agency shall be determined annually, except as otherwise provided in this subsection by the Commissioner of Social Services, to be effective July first of each year except as otherwise provided in this subsection. Such rates shall be determined on a basis of a reasonable payment for such necessary services, which basis shall take into account as a factor the costs of such services. Cost of such services shall include reasonable costs mandated by collective bargaining agreements with certified collective bargaining agents or other agreements between the employer and employees, provided "employees" shall not include persons employed as managers or chief administrators or required to be licensed as nursing home administrators, and compensation for services rendered by proprietors at prevailing wage rates, as determined by application of principles of accounting as prescribed by said commissioner. Cost of such services shall not include amounts paid by the facilities to employees as salary, or to attorneys or consultants as fees, where the responsibility of the employees, attorneys, or consultants is to persuade or seek to persuade the other employees of the facility to support or oppose unionization. Nothing in this subsection shall prohibit inclusion of amounts paid for legal counsel related to the negotiation of collective bargaining

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agreements, the settlement of grievances or normal administration of labor relations. The commissioner may, in the commissioner's discretion, allow the inclusion of extraordinary and unanticipated costs of providing services that were incurred to avoid an immediate negative impact on the health and safety of patients. The commissioner may, in the commissioner's discretion, based upon review of a facility's costs, direct care staff to patient ratio and any other related information, revise a facility's rate for any increases or decreases to total licensed capacity of more than ten beds or changes to its number of licensed rest home with nursing supervision beds and chronic and convalescent nursing home beds. The commissioner may, in the commissioner's discretion, revise the rate of a facility that is closing. An interim rate issued for the period during which a facility is closing shall be based on a review of facility costs, the expected duration of the close-down period, the anticipated impact on Medicaid costs, available appropriations and the relationship of the rate requested by the facility to the average Medicaid rate for a close-down period. The commissioner may so revise a facility's rate established for the fiscal year ending June 30, 1993, and thereafter for any bed increases, decreases or changes in licensure effective after October 1, 1989. Effective July 1, 1991, in facilities that have both a chronic and convalescent nursing home and a rest home with nursing supervision, the rate for the rest home with nursing supervision shall not exceed such facility's rate for its chronic and convalescent nursing home. All such facilities for which rates are determined under this subsection shall report on a fiscal year basis ending on September thirtieth. Such report shall be submitted to the commissioner by February fifteenth. Each for-profit chronic and convalescent nursing home that receives state funding pursuant to this section shall include in such annual report a profit and loss statement from each related party that receives from such chronic and convalescent nursing home fifty thousand dollars or more per year for goods, fees and services. No cause of action or liability shall arise against the state, the Department of Social Services, any state official or agent for failure to take action based on the information required to be reported under this subsection. The commissioner may reduce the rate in effect for a facility that fails to

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submit a complete and accurate report on or before February fifteenth by an amount not to exceed ten per cent of such rate. If a licensed residential care home fails to submit a complete and accurate report, the department shall notify such home of the failure and the home shall have thirty days from the date the notice was issued to submit a complete and accurate report. If a licensed residential care home fails to submit a complete and accurate report not later than thirty days after the date of notice, such home may not receive a retroactive rate increase, in the commissioner's discretion. The commissioner shall, annually, on or before April first, report the data contained in the reports of such facilities on the department's Internet web site. For the cost reporting year commencing October 1, 1985, and for subsequent cost reporting years, facilities shall report the cost of using the services of any [nursing pool employee nursing personnel supplied by a temporary nursing <u>services agency</u> by separating said cost into two categories, the portion of the cost equal to the salary of the employee for whom the [nursing pool employee nursing personnel supplied by a temporary nursing services agency is substituting shall be considered a nursing cost and any cost in excess of such salary shall be further divided so that seventyfive per cent of the excess cost shall be considered an administrative or general cost and twenty-five per cent of the excess cost shall be considered a nursing cost, provided if the total [nursing pool] costs of a facility for <u>nursing personnel supplied by a temporary nursing services</u> agency in any cost year are equal to or exceed fifteen per cent of the total nursing expenditures of the facility for such cost year, no portion of [nursing pool] such costs in excess of fifteen per cent shall be classified as administrative or general costs. The commissioner, in determining such rates, shall also take into account the classification of patients or boarders according to special care requirements or classification of the facility according to such factors as facilities and services and such other factors as the commissioner deems reasonable, including anticipated fluctuations in the cost of providing such services. The commissioner may establish a separate rate for a facility or a portion of a facility for traumatic brain injury patients who require extensive care but not acute general hospital care. Such separate rate shall reflect the special care

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requirements of such patients. If changes in federal or state laws, regulations or standards adopted subsequent to June 30, 1985, result in increased costs or expenditures in an amount exceeding one-half of one per cent of allowable costs for the most recent cost reporting year, the commissioner shall adjust rates and provide payment for any such increased reasonable costs or expenditures within a reasonable period of time retroactive to the date of enforcement. Nothing in this section shall be construed to require the Department of Social Services to adjust rates and provide payment for any increases in costs resulting from an inspection of a facility by the Department of Public Health. Such assistance as the commissioner requires from other state agencies or departments in determining rates shall be made available to the commissioner at the commissioner's request. Payment of the rates established pursuant to this section shall be conditioned on the establishment by such facilities of admissions procedures that conform with this section, section 19a-533 and all other applicable provisions of the law and the provision of equality of treatment to all persons in such facilities. The established rates shall be the maximum amount chargeable by such facilities for care of such beneficiaries, and the acceptance by or on behalf of any such facility of any additional compensation for care of any such beneficiary from any other person or source shall constitute the offense of aiding a beneficiary to obtain aid to which the beneficiary is not entitled and shall be punishable in the same manner as is provided in subsection (b) of section 17b-97. Notwithstanding any provision of this section, the Commissioner of Social Services may, within available appropriations, provide an interim rate increase for a licensed chronic and convalescent nursing home or a rest home with nursing supervision for rate periods no earlier than April 1, 2004, only if the commissioner determines that the increase is necessary to avoid the filing of a petition for relief under Title 11 of the United States Code; imposition of receivership pursuant to sections 19a-542 and 19a-543; or substantial deterioration of the facility's financial condition that may be expected to adversely affect resident care and the continued operation of the facility, and the commissioner determines that the continued operation of the facility is in the best interest of the

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state. The commissioner shall consider any requests for interim rate increases on file with the department from March 30, 2004, and those submitted subsequently for rate periods no earlier than April 1, 2004. When reviewing an interim rate increase request the commissioner shall, at a minimum, consider: (A) Existing chronic and convalescent nursing home or rest home with nursing supervision utilization in the area and projected bed need; (B) physical plant long-term viability and the ability of the owner or purchaser to implement any necessary property improvements; (C) licensure and certification compliance history; (D) reasonableness of actual and projected expenses; and (E) the ability of the facility to meet wage and benefit costs. No interim rate shall be increased pursuant to this subsection in excess of one hundred fifteen per cent of the median rate for the facility's peer grouping, established pursuant to subdivision (2) of subsection (f) of this section, unless recommended by the commissioner and approved by the Secretary of the Office of Policy and Management after consultation with the commissioner. Such median rates shall be published by the Department of Social Services not later than April first of each year. In the event that a facility granted an interim rate increase pursuant to this section is sold or otherwise conveyed for value to an unrelated entity less than five years after the effective date of such rate increase, the rate increase shall be deemed rescinded and the department shall recover an amount equal to the difference between payments made for all affected rate periods and payments that would have been made if the interim rate increase was not granted. The commissioner may seek recovery of such payments from any facility with common ownership. With the approval of the Secretary of the Office of Policy and Management, the commissioner may waive recovery and rescission of the interim rate for good cause shown that is not inconsistent with this section, including, but not limited to, transfers to family members that were made for no value. The commissioner shall provide written quarterly reports to the joint standing committees of the General Assembly having cognizance of matters relating to aging, human services and appropriations and the budgets of state agencies, that identify each facility requesting an interim rate increase, the amount of the requested rate increase for each

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290 facility, the action taken by the commissioner and the secretary pursuant 291 to this subsection, and estimates of the additional cost to the state for 292 each approved interim rate increase. Nothing in this subsection shall 293 prohibit the commissioner from increasing the rate of a licensed chronic 294 and convalescent nursing home or a rest home with nursing supervision 295 for allowable costs associated with facility capital improvements or 296 increasing the rate in case of a sale of a licensed chronic and convalescent 297 nursing home or a rest home with nursing supervision if receivership 298 has been imposed on such home. For purposes of this section, 299 "temporary nursing services agency" and "nursing personnel" have the 300 same meaning as provided in section 1 of this act.

Sec. 6. Subdivision (1) of subsection (f) of section 17b-340 of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):

(1) Allowable costs shall be divided into the following five cost components: (A) Direct costs, which shall include salaries for nursing personnel, related fringe benefits and [nursing pool] costs for nursing personnel supplied by a temporary nursing services agency; (B) indirect costs, which shall include professional fees, dietary expenses, housekeeping expenses, laundry expenses, supplies related to patient care, salaries for indirect care personnel and related fringe benefits; (C) fair rent, which shall be defined in accordance with subsection (f) of section 17-311-52 of the regulations of Connecticut state agencies; (D) capital-related costs, which shall include property taxes, insurance expenses, equipment leases and equipment depreciation; and (E) administrative and general costs, which shall include (i) maintenance and operation of plant expenses, (ii) salaries for administrative and maintenance personnel, and (iii) related fringe benefits. The commissioner may provide a rate adjustment for nonemergency transportation services required by nursing facility residents. Such adjustment shall be a fixed amount determined annually by the commissioner based upon a review of costs and other associated information. Allowable costs shall not include costs for ancillary

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- 323 services payable under Part B of the Medicare program.
- Sec. 7. Subdivision (4) of subsection (a) of section 17b-340d of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
 - (4) Allowable costs shall be divided into the following five cost components: (A) Direct costs, which shall include salaries for nursing personnel, related fringe benefits and [nursing pool] costs for nursing personnel supplied by a temporary nursing services agency; (B) indirect costs, which shall include professional fees, dietary expenses, housekeeping expenses, laundry expenses, supplies related to patient care, salaries for indirect care personnel and related fringe benefits; (C) fair rent, which shall be defined in regulations adopted in accordance with subsection (b) of this section; (D) capital-related costs, which shall include property taxes, insurance expenses, equipment leases and equipment depreciation; and (E) administrative and general costs, which shall include maintenance and operation of plant expenses, salaries for administrative and maintenance personnel and related fringe benefits. For (i) direct costs, the maximum cost shall be equal to one hundred thirty-five per cent of the median allowable cost of that peer grouping; (ii) indirect costs, the maximum cost shall be equal to one hundred fifteen per cent of the state-wide median allowable cost; (iii) fair rent, the amount shall be calculated utilizing the amount approved pursuant to section 17b-353; (iv) capital-related costs, there shall be no maximum; and (v) administrative and general costs, the maximum shall be equal to the state-wide median allowable cost. For purposes of this subdivision, "temporary nursing services agency" and "nursing personnel" have the same meaning as provided in section 1 of this act.
 - Sec. 8. Subsection (a) of section 51-344a of the 2022 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2022*):
- (a) Whenever the term "judicial district of Hartford-New Britain" or "judicial district of Hartford-New Britain at Hartford" is used or referred

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- 355 to in the following sections of the general statutes, it shall be deemed to 356 mean or refer to the judicial district of Hartford on and after September 357 1, 1998: Sections 1-205, 1-206, 2-48, 3-21a, 3-62d, 3-70a, 3-71a, 4-61, 4-160, 358 4-164, 4-177b, 4-180, 4-183, 4-197, 5-202, 5-276a, 8-30g, 9-7a, 9-7b, 9-369b, 359 10-153e, 12-208, 12-237, 12-268*l*, 12-312, 12-330m, 12-405k, 12-422, 12-448, 360 12-454, 12-456, 12-463, 12-489, 12-522, 12-554, 12-565, 12-572, 12-586f, 12-361 597, 12-730, 13b-34, 13b-235, 13b-315, 13b-375, 14-57, 14-66, 14-67u, 14-362 110, 14-195, 14-311, 14-311c, 14-324, 14-331, 15-125, 15-126, 16-41, 16a-5, 363 17b-60, 17b-100, 17b-238, 17b-531, 19a-85, 19a-86, [19a-123d,] 19a-425, 364 19a-498, 19a-517, 19a-526, 19a-633, 20-12f, 20-13e, 20-29, 20-40, 20-45, 20-365 59, 20-73a, 20-86f, 20-99, 20-114, 20-133, 20-154, 20-156, 20-162p, 20-192, 366 20-195p, 20-202, 20-206c, 20-227, 20-238, 20-247, 20-263, 20-271, 20-307, 367 20-341f, 20-363, 20-373, 20-404, 20-414, 21a-55, 21a-190i, 22-7, 22-228, 22-368 248, 22-254, 22-320d, 22-326a, 22-344b, 22-386, 22a-6b, 22a-7, 22a-16, 22a-369 30, 22a-34, 22a-53, 22a-60, 22a-62, 22a-63, 22a-66h, 22a-106a, 22a-119, 370 22a-180, 22a-182a, 22a-184, 22a-220a, 22a-220d, 22a-225, 22a-226, 22a-371 226c, 22a-227, 22a-250, 22a-255l, 22a-276, 22a-310, 22a-342a, 22a-344, 22a-372 361a, 22a-374, 22a-376, 22a-408, 22a-430, 22a-432, 22a-438, 22a-449f, 22a-373 449g, 22a-459, 23-5e, 23-65m, 25-32e, 25-36, 28-5, 29-143j, 29-158, 29-161z, 374 29-323, 30-8, 31-109, 31-249b, 31-266, 31-266a, 31-270, 31-273, 31-284, 31-375 285, 31-339, 31-355a, 31-379, 35-3c, 35-42, 36a-186, 36a-187, 36a-471a, 36a-376 494, 36a-587, 36a-647, 36a-684, 36a-718, 36a-807, 36b-26, 36b-27, 36b-30, 377 36b-50, 36b-71, 36b-72, 36b-74, 36b-76, 38a-41, 38a-52, 38a-134, 38a-139, 378 38a-140, 38a-147, 38a-150, 38a-185, 38a-209, 38a-225, 38a-226b, 38a-241, 379 38a-337, 38a-470, 38a-620, 38a-657, 38a-687, 38a-774, 38a-776, 38a-817, 380 38a-843, 38a-868, 38a-906, 38a-994, 42-103c, 42-110d, 42-110k, 42-110p, 381 42-182, 46a-56, 46a-100, 47a-21, 49-73, 51-44a, 51-81b, 51-194, 52-146j, 53-382 392d and 54-211a.
- Sec. 9. Sections 19a-123, 19a-123b and 19a-123d of the general statutes are repealed. (*Effective July 1*, 2022)

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2022	New section

Sec. 2	July 1, 2022	New section
Sec. 3	July 1, 2022	New section
Sec. 4	July 1, 2022	New section
Sec. 5	July 1, 2022	17b-340(a)
Sec. 6	July 1, 2022	17b-340(f)(1)
Sec. 7	July 1, 2022	17b-340d(a)(4)
Sec. 8	July 1, 2022	51-344a(a)
Sec. 9	July 1, 2022	Repealer section

AGE Joint Favorable Subst.

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