

STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Manisha Juthani, MD
Commissioner



Ned Lamont
Governor
Susan Bysiewicz
Lt. Governor

Nursing Home Financial Advisory Committee

April 9, 2025 | 9:30-11:30am

Meeting Minutes

Members present: Barbara Cass (DPH), Lorraine Cullen (DPH), Claudio Gualtieri (OPM), Mag Morelli (Leading Age CT), Krista Johnson (CHEFA), Matt Barret (CAHCF/CCAL).

Members absent: Mairead Painter (LTC Ombudsperson - Daniel Beem attended in her absence), Nicole Godburn (DSS – Nick Mazzatto attended in her absence).

Legislators present: Sen. Matt Lesser, Rep. Tammy Nuccio, Sen. Cathy Osten.

Introduction

- Lorraine Cullen called the meeting to order at 9:32am.
- Lorraine took attendance of members, noting that Nicole Godburn is absent and Nick Mazzatto will be filling in for the Department of Social Services (DSS), and that Daniel Beem is filling in for Mairead Painter, representing the Long-Term Care Ombudsman Program.
- Matt Barrett motioned to approve the minutes from April 9, 2025; Mag Morelli seconded. The minutes passed without discussion.

DPH and DSS Slideshow

- Nick Mazzatto and Lorraine Cullen reviewed the slide deck with key data from the past quarter.
 - Nick shared the bed capacity and census data for the reporting period of April 1 through June 30, 2025, has remained steady, with this quarter's capacity up to 88.6 percent occupancy.
 - Lorraine shared that no new nursing home closed in Quarter 3; there are still 193 nursing homes in the state. She also shared a map depicting the locations of all of Connecticut's nursing homes and indicated that nursing home availability based on location is something that the Department of Public Health (DPH) monitors closely.
 - Nick shared information on nursing home receiverships, bankruptcies, temporary managers, and closures, nothing in this category has changed in the past quarter. DSS did not receive any interim or hardship interim rate requests this past quarter.
 - Lorraine provided an overview of the Change in Ownerships (CHOWs) that occurred in the past quarter. In calendar year 2025 there have been 7 CHOWs, with 5 pending. She

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indicated that the majority (10 of 17) of the CHOWs in 2024 were homes owned by Athena.

- Lorraine presented the top five most frequently cited federal deficiencies over the past quarter and gave examples of each deficiency. She provided information on Immediate Jeopardy (IJ) findings and provided longitudinal data since FFY 2023. In the past quarter, the department reported 4 IJ deficiencies across 4 facilities, primarily related to medication errors and abuse/neglect.

Discussion

Bed Capacity and Occupancy

- Sen. Cathy Osten raised concerns about the impact of recent nursing home closures on bed capacity and potential future closures. Specifically, she mentioned the closure of a nursing home in Trumbull and its impact on overall bed capacity.
- Nick Mazzatto confirmed that the closure of the Trumbull facility was not yet reflected in the current data as the license was still open. He estimated that removing those beds would increase occupancy to 89.7%.
- Sen. Cathy Osten expressed concern about reaching high occupancy rates and the potential lack of capacity to meet future needs in the state. She inquired about any anticipated closures or bed reductions in the coming months. Nick responded that DSS is not aware of any other facilities that may close in the coming months, but there could be bed reductions coming from Certificate of Need (CON) requests where homes are looking to reduce their licensed bed capacity.

Change of Ownership Activity and Trends

- Sen. Matt Lesser asked about the types of nursing home owners and the role of private equity. He asked what may be driving the CHOWs and if there was an increase in private equity ownership.
- Lorraine clarified that most changes of ownership seen last year were due to existing nursing home owners in the state acquiring new homes. She noted that private equity interest existed but had not resulted in many applications.
- In response to a question from Mag, Lorraine spoke about how DPH has fine-tuned the CHOW process in the past year by establishing a multi-agency formalized review committee. While the CHOW process is not longer than previously, it is more thorough, as it involves looking into every application, evaluating the applicant's ownership history, and at times when potential buyers are denied because their current track record has too many penalties, they may apply back to the department demonstrating good cause for these deficiencies.

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- Mag suggested a future discussion on the changing landscape of nursing home ownership. She highlighted the challenges faced by solo family-owned and nonprofit nursing homes, leading to sales.

Discussion on Innovative Nursing Home Models

- Suggested exploring innovative models like the greenhouse model to address capacity needs. He emphasized the benefits of smaller, community-based living arrangements that provide a more homelike environment for residents. Claudio highlighted that these models could offer a more personalized and engaging experience for residents, which could lead to better outcomes and higher satisfaction.
- Mag clarified that the greenhouse or Small-House nursing home model is a pod-like design with between eight and 14 single bedrooms with private bathrooms connected to a central kitchen. The CNAs that work here are called “universal workers” and they function more as a family caregiver. This model is relatively new and started in Mississippi. Mag noted that it is difficult to retrofit older buildings, given the 30 year moratorium on constructing new nursing homes.
- Mag flagged that although these homes can be expensive to run, the people that live and work there really like the model. Connecticut has one facility, Mozaic Senior Life that currently uses this model.
 - Lorraine added that a CON has been approved for an additional nursing home which is developing a new person-centered model.
- Matt Barrett flagged concerns about the financial viability of innovative models for high Medicaid facilities, especially given that some of these homes were heavily subsidized with private endowment money. He pointed out that many nursing homes in Connecticut have a high percentage of Medicaid residents, and the reimbursement rates from Medicaid are often insufficient to cover the higher costs associated with innovative models like the greenhouse model. Matt emphasized the need for additional funding and support to make these models feasible for facilities serving low-income populations.
- Matt Lesser brought up concerns around the announced cuts to social services on the federal level, specifically Medicaid, and asked if these changes would impact the viability of the Small-House model.
 - Nick expressed that DSS is still exploring the implications, and that he will take this back to the team and put together an answer.
 - Matt Barrett responded, sharing concern about the financial instability facing the nursing home industry following these cuts from the federal level, and how other changes passed in the recent bill will negatively impact nursing homes and all Medicaid providers.

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- Mag Morelli added that the new federal bill impacts long-term planning and investment in nursing homes. She noted that the uncertainty surrounding Medicaid funding makes it challenging for providers to commit to investing in building new homes.
- Claudio brought up that small homes generally have very high occupancy rates and a better payer mix, both of which can contribute to nursing home financial sustainability.
- Barbara Cass added that person-centered care is not only a principle of the greenhouse model but also a regulatory requirement enforced by DPH. She emphasized that all nursing homes are required to consider the personal needs and preferences of residents when developing care plans. Barbara noted that the greenhouse model takes this a step further by integrating person-centered care into the physical design and daily operations of the facility.

Closing

- The next quarterly meeting is scheduled for October 8, 2025.
- The meeting adjourned at 10:18am.