

Human Services Committee JOINT FAVORABLE REPORT

Bill No: SB-328 / [Bill Status](#) / [Public Hearing Testimony](#)

AN ACT REQUIRING NURSING HOMES TO SPEND EIGHTY PER CENT OF
Title: REVENUE ON DIRECT PATIENT CARE.

Vote Date: 3/19/2026

Vote Action: Joint Favorable

PH Date: 3/3/2026

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

Concern has arisen that private equity ownership of nursing homes results in a higher proportion of revenue being diverted to profits rather than direct care services. The bill would require nursing homes in the state to spend 80% of their revenue on direct patient care. Per the DSS Commissioner's testimony, direct care is defined as "hands-on care provided to a facility resident by nursing personnel." Supporting and opposing testimony is nearly even, with both sides arguing that 80% funding follows regional precedent and that 80% is far too steep a figure, respectively.

RESPONSE FROM ADMINISTRATION/AGENCY:

Connecticut Department of Social Services, Andrea Barton Reeves, Commissioner:

Believes the bill will have unintended, adverse consequences on residential care as a whole. Ms. Reeves touches on Medicaid reimbursements five allowable cost components, concluding that each plays an important role in delivering total care to nursing home residents. The Department suggests consideration of language that supports total resident care, not just one component of the Medicaid funding.

Connecticut Department of Aging and Disability Services, Mairead Painter, Long-Term Care Ombudsman: Cannot support the bill as drafted. Ms. Painter claims that moving such a high percentage of revenue to direct care unintentionally limits resources available for critical

services such as dietary care, housekeeping, laundry, social work, recreation, and maintenance.

NATURE AND SOURCES OF SUPPORT:

Connecticut Legal Services, Jean Mills Aranha, Elder Law Attorney:

Supports the bill and finds that spending at least 80% of funding guarantees that taxpayer dollars are used to finance much-needed care. Ms. Mills notes how nursing home residents are entitled to sufficient care under federal and state law, underscoring that Connecticut is seeking to ensure that nursing home funding is spent on care for residents. She highlights a public law in New York, where state laws require a fixed percentage of income to be used for the direct care of residents.

Connecticut General Assembly, Senate Democrats Office, Martin Looney, Senate President Pro Tempore: Supports the bill, mentioning how other states, like New York, have taken similar action. Mr. Looney maintains that the 80% funding requirement bears resemblance to federal medical loss ratio requirements, concluding that additional transparency requirements would help illustrate how nursing homes spend revenue and prioritize patient care.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Association of Health Care Facilities / Connecticut Center for Assisted Living, Matthew Barrett, President & CEO: Opposes SB 328, stating that spending 80% or more of funding would leave only 20% of the overall funding for nursing home services and supports. Mr. Barrett considers this an “unfunded state mandate.”

LeadingAge Connecticut and Rhode Island, Mag Morelli, President: Believes the bill to be “unworkable.” Ms. Morelli states that, if 80% of the rate were allocated to direct care nursing personnel, high-cost services like physical/occupational therapy, speech therapy, intensive nursing, and prescription medications would struggle to receive funding.

Reported by: Zachary Robinson

Date: March 30, 2026