



General Assembly

**Substitute Bill No. 5358**

February Session, 2026



**AN ACT CONCERNING THE REBASING OF RATES OF REIMBURSEMENT FOR CERTAIN RESIDENTIAL FACILITIES.**

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

1 Section 1. Subsections (a) and (b) of section 17b-244 of the general  
2 statutes are repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2026*):

4 (a) The room and board component of the rates to be paid by the state  
5 to private facilities and facilities operated by regional education service  
6 centers which are licensed to provide residential care pursuant to  
7 section 17a-227, but not certified to participate in the Title XIX Medicaid  
8 program as intermediate care facilities for individuals with intellectual  
9 disabilities, shall be determined annually by the Commissioner of Social  
10 Services, except that rates effective April 30, 1989, shall remain in effect  
11 through October 31, 1989. Any facility with real property other than  
12 land placed in service prior to July 1, 1991, shall, for the fiscal year  
13 ending June 30, 1995, receive a rate of return on real property equal to  
14 the average of the rates of return applied to real property other than land  
15 placed in service for the five years preceding July 1, 1993. For the fiscal  
16 year ending June 30, 1996, and any succeeding fiscal year, the rate of  
17 return on real property for property items shall be revised every five  
18 years. The commissioner shall, upon submission of a request by such  
19 facility, allow actual debt service, comprised of principal and interest,

20 on the loan or loans in lieu of property costs allowed pursuant to section  
21 17-313b-5 of the regulations of Connecticut state agencies, whether  
22 actual debt service is higher or lower than such allowed property costs,  
23 provided such debt service terms and amounts are reasonable in  
24 relation to the useful life and the base value of the property. In the case  
25 of facilities financed through the Connecticut Housing Finance  
26 Authority, the commissioner shall allow actual debt service, comprised  
27 of principal, interest and a reasonable repair and replacement reserve  
28 on the loan or loans in lieu of property costs allowed pursuant to section  
29 17-313b-5 of the regulations of Connecticut state agencies, whether  
30 actual debt service is higher or lower than such allowed property costs,  
31 provided such debt service terms and amounts are determined by the  
32 commissioner at the time the loan is entered into to be reasonable in  
33 relation to the useful life and base value of the property. The  
34 commissioner may allow fees associated with mortgage refinancing  
35 provided such refinancing will result in state reimbursement savings,  
36 after comparing costs over the terms of the existing proposed loans. For  
37 the fiscal year ending June 30, 1992, the inflation factor used to  
38 determine rates shall be one-half of the gross national product  
39 percentage increase for the period between the midpoint of the cost year  
40 through the midpoint of the rate year. For fiscal year ending June 30,  
41 1993, the inflation factor used to determine rates shall be two-thirds of  
42 the gross national product percentage increase from the midpoint of the  
43 cost year to the midpoint of the rate year. For the fiscal years ending  
44 June 30, 1996, and June 30, 1997, no inflation factor shall be applied in  
45 determining rates. The Commissioner of Social Services shall prescribe  
46 uniform forms on which such facilities shall report their costs. Such rates  
47 shall be determined on the basis of a reasonable payment for necessary  
48 services. Any increase in grants, gifts, fund-raising or endowment  
49 income used for the payment of operating costs by a private facility in  
50 the fiscal year ending June 30, 1992, shall be excluded by the  
51 commissioner from the income of the facility in determining the rates to  
52 be paid to the facility for the fiscal year ending June 30, 1993, provided  
53 any operating costs funded by such increase shall not obligate the state  
54 to increase expenditures in subsequent fiscal years. Nothing contained

55 in this section shall authorize a payment by the state to any such facility  
56 in excess of the charges made by the facility for comparable services to  
57 the general public. The service component of the rates to be paid by the  
58 state to private facilities and facilities operated by regional education  
59 service centers which are licensed to provide residential care pursuant  
60 to section 17a-227, but not certified to participate in the Title XIX  
61 Medicaid programs as intermediate care facilities for individuals with  
62 intellectual disabilities, shall be determined annually by the  
63 Commissioner of Developmental Services in accordance with section  
64 17b-244a. For the fiscal year ending June 30, 2008, no facility shall receive  
65 a rate that is more than two per cent greater than the rate in effect for  
66 the facility on June 30, 2007, except any facility that would have been  
67 issued a lower rate effective July 1, 2007, due to interim rate status or  
68 agreement with the department, shall be issued such lower rate effective  
69 July 1, 2007. For the fiscal year ending June 30, 2009, no facility shall  
70 receive a rate that is more than two per cent greater than the rate in effect  
71 for the facility on June 30, 2008, except any facility that would have been  
72 issued a lower rate effective July 1, 2008, due to interim rate status or  
73 agreement with the department, shall be issued such lower rate effective  
74 July 1, 2008. For the fiscal years ending June 30, 2010, and June 30, 2011,  
75 rates in effect for the period ending June 30, 2009, shall remain in effect  
76 until June 30, 2011, except that (1) the rate paid to a facility may be higher  
77 than the rate paid to the facility for the period ending June 30, 2009, if a  
78 capital improvement required by the Commissioner of Developmental  
79 Services for the health or safety of the residents was made to the facility  
80 during the fiscal years ending June 30, 2010, or June 30, 2011, and (2) any  
81 facility that would have been issued a lower rate for the fiscal year  
82 ending June 30, 2010, or June 30, 2011, due to interim rate status or  
83 agreement with the department, shall be issued such lower rate. For the  
84 fiscal year ending June 30, 2012, rates in effect for the period ending June  
85 30, 2011, shall remain in effect until June 30, 2012, except that (A) the  
86 rate paid to a facility may be higher than the rate paid to the facility for  
87 the period ending June 30, 2011, if a capital improvement required by  
88 the Commissioner of Developmental Services for the health or safety of  
89 the residents was made to the facility during the fiscal year ending June

90 30, 2012, and (B) any facility that would have been issued a lower rate  
91 for the fiscal year ending June 30, 2012, due to interim rate status or  
92 agreement with the department, shall be issued such lower rate. Any  
93 facility that has a significant decrease in land and building costs shall  
94 receive a reduced rate to reflect such decrease in land and building costs.  
95 The rate paid to a facility may be increased if a capital improvement  
96 approved by the Department of Developmental Services, in consultation  
97 with the Department of Social Services, for the health or safety of the  
98 residents was made to the facility during the fiscal year ending June 30,  
99 2014, or June 30, 2015, only to the extent such increases are within  
100 available appropriations. For the fiscal years ending June 30, 2016, and  
101 June 30, 2017, rates shall not exceed those in effect for the period ending  
102 June 30, 2015, except the rate paid to a facility may be higher than the  
103 rate paid to the facility for the period ending June 30, 2015, if a capital  
104 improvement approved by the Department of Developmental Services,  
105 in consultation with the Department of Social Services, for the health or  
106 safety of the residents was made to the facility during the fiscal year  
107 ending June 30, 2016, or June 30, 2017, to the extent such rate increases  
108 are within available appropriations. For the fiscal years ending June 30,  
109 2016, and June 30, 2017, and each succeeding fiscal year, any facility that  
110 would have been issued a lower rate, due to interim rate status, a change  
111 in allowable fair rent or agreement with the department, shall be issued  
112 such lower rate. For the fiscal years ending June 30, 2018, and June 30,  
113 2019, rates shall not exceed those in effect for the period ending June 30,  
114 2017, except the rate paid to a facility may be higher than the rate paid  
115 to the facility for the period ending June 30, 2017, if a capital  
116 improvement approved by the Department of Developmental Services,  
117 in consultation with the Department of Social Services, for the health or  
118 safety of the residents was made to the facility during the fiscal year  
119 ending June 30, 2018, or June 30, 2019, to the extent such rate increases  
120 are within available appropriations. For the fiscal years ending June 30,  
121 2020, and June 30, 2021, rates shall not exceed those in effect for the fiscal  
122 year ending June 30, 2019, except the rate paid to a facility may be higher  
123 than the rate paid to the facility for the fiscal year ending June 30, 2019,  
124 if a capital improvement approved by the Department of

125 Developmental Services, in consultation with the Department of Social  
126 Services, for the health or safety of the residents was made to the facility  
127 during the fiscal year ending June 30, 2020, or June 30, 2021, to the extent  
128 such rate increases are within available appropriations. For the fiscal  
129 years ending June 30, 2022, and June 30, 2023, rates shall be based upon  
130 rates in effect for the fiscal year ending June 30, 2021, inflated by the  
131 gross domestic product deflator applicable to each rate year, except the  
132 commissioner may, in the commissioner's discretion and within  
133 available appropriations, provide pro rata fair rent increases to facilities  
134 which have documented fair rent additions placed in service in the cost  
135 report years ending September 30, 2020, and September 30, 2021, that  
136 are not otherwise included in rates issued, or if a rate adjustment for a  
137 capital improvement approved by the Department of Developmental  
138 Services, in consultation with the Department of Social Services, for the  
139 health or safety of the residents was made to the facility during the fiscal  
140 year ending June 30, 2022, or June 30, 2023. For the fiscal year ending  
141 June 30, 2024, rates shall not exceed those in effect for the fiscal year  
142 ending June 30, 2023, except the rate paid to a facility may be higher  
143 than the rate paid to the facility for the fiscal year ending June 30, 2023,  
144 if a capital improvement approved by the Department of  
145 Developmental Services, in consultation with the Department of Social  
146 Services, for the health or safety of the residents was made to the facility  
147 during the fiscal year ending June 30, 2024, to the extent such rate  
148 increases are within available appropriations. On or after July 1, 2026,  
149 costs shall be rebased every two years. For the fiscal year ending June  
150 30, 2027, rates shall not be rebased. Rebasing shall be based on the cost  
151 report period ending June thirtieth, as filed with the department, from  
152 the two years prior to the year in which the rebasing occurs. There shall  
153 be no inflationary increase to rates during a year in which rebasing  
154 occurs. Any increase to rates based on inflation shall be applied prior to  
155 the application of any other budget adjustment factors that may impact  
156 such rates. Notwithstanding any other provisions of this chapter or  
157 section 17-313b-5 of the regulations of Connecticut state agencies, any  
158 subsequent increase to allowable operating costs, excluding fair rent,  
159 shall be inflated by the gross domestic product deflator. The rate of

160 inflation shall be computed by comparing the most recent rate year to  
161 the average of the gross domestic product deflator for the previous four  
162 fiscal quarters ending March thirty-first.

163 (b) Notwithstanding the provisions of subsection (a) of this section,  
164 state rates of payment for the fiscal years ending June 30, 2018, June 30,  
165 2019, June 30, 2020, and June 30, 2021, for residential care homes and  
166 community living arrangements that receive the flat rate for residential  
167 services under section 17-311-54 of the regulations of Connecticut state  
168 agencies shall be set in accordance with section 298 of public act 19-117.  
169 For the fiscal years ending June 30, 2022, and June 30, 2023, rates shall  
170 be based upon rates in effect for the fiscal year ending June 30, 2021,  
171 inflated by the gross domestic product deflator applicable to each rate  
172 year. Notwithstanding any other provisions of this chapter, any  
173 subsequent increase to allowable operating costs, excluding fair rent,  
174 shall be inflated by the gross domestic product deflator. The rate of  
175 inflation shall be computed by comparing the most recent rate year to  
176 the average of the gross domestic product deflator for the previous four  
177 fiscal quarters ending March thirty-first. Any increase to rates based on  
178 inflation shall be applied prior to the application of any other budget  
179 adjustment factors that may impact such rates.

180 Sec. 2. Subdivision (1) of subsection (h) of section 17b-340 of the 2026  
181 supplement to the general statutes, as amended by section 64 of public  
182 act 26-1, is repealed and the following is substituted in lieu thereof  
183 (*Effective July 1, 2026*):

184 (h) (1) For the fiscal year ending June 30, 1993, any intermediate care  
185 facility for individuals with intellectual disabilities with an operating  
186 cost component of its rate in excess of one hundred forty per cent of the  
187 median of operating cost components of rates in effect January 1, 1992,  
188 shall not receive an operating cost component increase. For the fiscal  
189 year ending June 30, 1993, any intermediate care facility for individuals  
190 with intellectual disabilities with an operating cost component of its rate  
191 that is less than one hundred forty per cent of the median of operating  
192 cost components of rates in effect January 1, 1992, shall have an

193 allowance for real wage growth equal to thirty per cent of the increase  
194 determined in accordance with subsection (q) of section 17-311-52 of the  
195 regulations of Connecticut state agencies, provided such operating cost  
196 component shall not exceed one hundred forty per cent of the median  
197 of operating cost components in effect January 1, 1992. Any facility with  
198 real property other than land placed in service prior to October 1, 1991,  
199 shall, for the fiscal year ending June 30, 1995, receive a rate of return on  
200 real property equal to the average of the rates of return applied to real  
201 property other than land placed in service for the five years preceding  
202 October 1, 1993. For the fiscal year ending June 30, 1996, and any  
203 succeeding fiscal year, the rate of return on real property for property  
204 items shall be revised every five years. The commissioner shall, upon  
205 submission of a request, allow actual debt service, comprised of  
206 principal and interest, in excess of property costs allowed pursuant to  
207 section 17-311-52 of the regulations of Connecticut state agencies,  
208 provided such debt service terms and amounts are reasonable in  
209 relation to the useful life and the base value of the property. For the fiscal  
210 year ending June 30, 1995, and any succeeding fiscal year, the inflation  
211 adjustment made in accordance with subsection (p) of section 17-311-52  
212 of the regulations of Connecticut state agencies shall not be applied to  
213 real property costs. For the fiscal year ending June 30, 1996, and any  
214 succeeding fiscal year, the allowance for real wage growth, as  
215 determined in accordance with subsection (q) of section 17-311-52 of the  
216 regulations of Connecticut state agencies, shall not be applied. For the  
217 fiscal year ending June 30, 1996, and any succeeding fiscal year, no rate  
218 shall exceed three hundred seventy-five dollars per day unless the  
219 commissioner, in consultation with the Commissioner of  
220 Developmental Services, determines after a review of program and  
221 management costs, that a rate in excess of this amount is necessary for  
222 care and treatment of facility residents. For the fiscal year ending June  
223 30, 2002, rate period, the Commissioner of Social Services shall increase  
224 the inflation adjustment for rates made in accordance with subsection  
225 (p) of section 17-311-52 of the regulations of Connecticut state agencies  
226 to update allowable fiscal year 2000 costs to include a three and one-half  
227 per cent inflation factor. For the fiscal year ending June 30, 2003, rate

228 period, the commissioner shall increase the inflation adjustment for  
229 rates made in accordance with subsection (p) of section 17-311-52 of the  
230 regulations of Connecticut state agencies to update allowable fiscal year  
231 2001 costs to include a one and one-half per cent inflation factor, except  
232 that such increase shall be effective November 1, 2002, and such facility  
233 rate in effect for the fiscal year ending June 30, 2002, shall be paid for  
234 services provided until October 31, 2002, except any facility that would  
235 have been issued a lower rate effective July 1, 2002, than for the fiscal  
236 year ending June 30, 2002, due to interim rate status or agreement with  
237 the department shall be issued such lower rate effective July 1, 2002, and  
238 have such rate updated effective November 1, 2002, in accordance with  
239 applicable statutes and regulations. For the fiscal year ending June 30,  
240 2004, rates in effect for the period ending June 30, 2003, shall remain in  
241 effect, except any facility that would have been issued a lower rate  
242 effective July 1, 2003, than for the fiscal year ending June 30, 2003, due  
243 to interim rate status or agreement with the department shall be issued  
244 such lower rate effective July 1, 2003. For the fiscal year ending June 30,  
245 2005, rates in effect for the period ending June 30, 2004, shall remain in  
246 effect until September 30, 2004. Effective October 1, 2004, each facility  
247 shall receive a rate that is five per cent greater than the rate in effect  
248 September 30, 2004. Effective upon receipt of all the necessary federal  
249 approvals to secure federal financial participation matching funds  
250 associated with the rate increase provided in subdivision (4) of  
251 subsection (f) of this section, but in no event earlier than October 1, 2005,  
252 and provided the user fee imposed under section 17b-320 is required to  
253 be collected, each facility shall receive a rate that is four per cent more  
254 than the rate the facility received in the prior fiscal year, except any  
255 facility that would have been issued a lower rate effective October 1,  
256 2005, than for the fiscal year ending June 30, 2005, due to interim rate  
257 status or agreement with the department, shall be issued such lower rate  
258 effective October 1, 2005. Such rate increase shall remain in effect unless:  
259 (A) The federal financial participation matching funds associated with  
260 the rate increase are no longer available; or (B) the user fee created  
261 pursuant to section 17b-320 is not in effect. For the fiscal year ending  
262 June 30, 2007, rates in effect for the period ending June 30, 2006, shall

263 remain in effect until September 30, 2006, except any facility that would  
264 have been issued a lower rate effective July 1, 2006, than for the fiscal  
265 year ending June 30, 2006, due to interim rate status or agreement with  
266 the department, shall be issued such lower rate effective July 1, 2006.  
267 Effective October 1, 2006, no facility shall receive a rate that is more than  
268 three per cent greater than the rate in effect for the facility on September  
269 30, 2006, except any facility that would have been issued a lower rate  
270 effective October 1, 2006, due to interim rate status or agreement with  
271 the department, shall be issued such lower rate effective October 1, 2006.  
272 For the fiscal year ending June 30, 2008, each facility shall receive a rate  
273 that is two and nine-tenths per cent greater than the rate in effect for the  
274 period ending June 30, 2007, except any facility that would have been  
275 issued a lower rate effective July 1, 2007, than for the rate period ending  
276 June 30, 2007, due to interim rate status, or agreement with the  
277 department, shall be issued such lower rate effective July 1, 2007. For the  
278 fiscal year ending June 30, 2009, rates in effect for the period ending June  
279 30, 2008, shall remain in effect until June 30, 2009, except any facility that  
280 would have been issued a lower rate for the fiscal year ending June 30,  
281 2009, due to interim rate status or agreement with the department, shall  
282 be issued such lower rate. For the fiscal years ending June 30, 2010, and  
283 June 30, 2011, rates in effect for the period ending June 30, 2009, shall  
284 remain in effect until June 30, 2011, except any facility that would have  
285 been issued a lower rate for the fiscal year ending June 30, 2010, or the  
286 fiscal year ending June 30, 2011, due to interim rate status or agreement  
287 with the department, shall be issued such lower rate. For the fiscal year  
288 ending June 30, 2012, rates in effect for the period ending June 30, 2011,  
289 shall remain in effect until June 30, 2012, except any facility that would  
290 have been issued a lower rate for the fiscal year ending June 30, 2012,  
291 due to interim rate status or agreement with the department, shall be  
292 issued such lower rate. For the fiscal years ending June 30, 2014, and  
293 June 30, 2015, rates shall not exceed those in effect for the period ending  
294 June 30, 2013, except the rate paid to a facility may be higher than the  
295 rate paid to the facility for the period ending June 30, 2013, if a capital  
296 improvement approved by the Department of Developmental Services,  
297 in consultation with the Department of Social Services, for the health or

298 safety of the residents was made to the facility during the fiscal year  
299 ending June 30, 2014, or June 30, 2015, to the extent such rate increases  
300 are within available appropriations. Any facility that would have been  
301 issued a lower rate for the fiscal year ending June 30, 2014, or the fiscal  
302 year ending June 30, 2015, due to interim rate status or agreement with  
303 the department, shall be issued such lower rate. For the fiscal years  
304 ending June 30, 2016, and June 30, 2017, rates shall not exceed those in  
305 effect for the period ending June 30, 2015, except the rate paid to a  
306 facility may be higher than the rate paid to the facility for the period  
307 ending June 30, 2015, if a capital improvement approved by the  
308 Department of Developmental Services, in consultation with the  
309 Department of Social Services, for the health or safety of the residents  
310 was made to the facility during the fiscal year ending June 30, 2016, or  
311 June 30, 2017, to the extent such rate increases are within available  
312 appropriations. For the fiscal years ending June 30, 2016, and June 30,  
313 2017, and each succeeding fiscal year, any facility that would have been  
314 issued a lower rate, due to interim rate status, a change in allowable fair  
315 rent or agreement with the department, shall be issued such lower rate.  
316 For the fiscal years ending June 30, 2018, and June 30, 2019, rates shall  
317 not exceed those in effect for the period ending June 30, 2017, except the  
318 rate paid to a facility may be higher than the rate paid to the facility for  
319 the period ending June 30, 2017, if a capital improvement approved by  
320 the Department of Developmental Services, in consultation with the  
321 Department of Social Services, for the health or safety of the residents  
322 was made to the facility during the fiscal year ending June 30, 2018, or  
323 June 30, 2019, only to the extent such rate increases are within available  
324 appropriations. For the fiscal years ending June 30, 2020, and June 30,  
325 2021, rates shall not exceed those in effect for the fiscal year ending June  
326 30, 2019, except the rate paid to a facility may be higher than the rate  
327 paid to the facility for the fiscal year ending June 30, 2019, if a capital  
328 improvement approved by the Department of Developmental Services,  
329 in consultation with the Department of Social Services, for the health or  
330 safety of the residents was made to the facility during the fiscal year  
331 ending June 30, 2020, or June 30, 2021, only to the extent such rate  
332 increases are within available appropriations. For the fiscal year ending

333 June 30, 2022, rates shall not exceed those in effect for the fiscal year  
334 ending June 30, 2021, except the commissioner may, in the  
335 commissioner's discretion and within available appropriations, provide  
336 pro rata fair rent increases to facilities that have documented fair rent  
337 additions placed in service in the cost report year ending September 30,  
338 2020, that are not otherwise included in rates issued. For the fiscal year  
339 ending June 30, 2023, rates shall not exceed those in effect for the fiscal  
340 year ending June 30, 2022, except the commissioner may, in the  
341 commissioner's discretion and within available appropriations, provide  
342 pro rata fair rent increases to facilities which have documented fair rent  
343 additions placed in service in the cost report year ending September 30,  
344 2021, that are not otherwise included in rates issued. For the fiscal years  
345 ending June 30, 2022, and June 30, 2023, a facility may receive a rate  
346 increase for a capital improvement approved by the Department of  
347 Developmental Services, in consultation with the Department of Social  
348 Services, for the health or safety of the residents during the fiscal year  
349 ending June 30, 2022, or June 30, 2023, only to the extent such rate  
350 increases are within available appropriations. There shall be no increase  
351 to rates based on inflation or any inflationary factor for the fiscal years  
352 ending June 30, 2022, and June 30, 2023. Notwithstanding any other  
353 provisions of this chapter, any subsequent increase to allowable  
354 operating costs, excluding fair rent, shall be inflated by the gross  
355 domestic product deflator when funding is specifically appropriated for  
356 such purposes in the enacted budget. The rate of inflation shall be  
357 computed by comparing the most recent rate year to the average of the  
358 gross domestic product deflator for the previous four fiscal quarters  
359 ending March thirty-first. Any increase to rates based on inflation shall  
360 be applied prior to the application of any other budget adjustment  
361 factors that may impact such rates. For the fiscal year ending June 30,  
362 2024, the department shall determine facility rates based upon 2022 cost  
363 report filings subject to the provisions of this section, adjusted to reflect  
364 any rate increases provided after the cost report year ending June 30,  
365 2022, and with the addition of a two per cent adjustment factor. No  
366 facility shall receive a rate less than the rate in effect for the fiscal year  
367 ending June 30, 2023. For the fiscal year ending June 30, 2024, the

368 minimum per diem, per bed rate shall remain at five hundred one  
369 dollars for a residential facility licensed pursuant to section 17a-227 and  
370 certified to participate in the Title XIX Medicaid program as an  
371 intermediate care facility for individuals with intellectual disability.  
372 There shall be no increase to rates based on any inflationary factor for  
373 the fiscal year ending June 30, 2024. For the fiscal year ending June 30,  
374 2024, and each subsequent fiscal year, the commissioner may, in the  
375 commissioner's discretion and within available appropriations, provide  
376 pro rata fair rent increases to facilities that have documented fair rent  
377 additions placed in service in the cost report years that are not otherwise  
378 included in rates issued. For the fiscal year ending June 30, 2025, the  
379 department shall determine facility rates based upon 2023 cost report  
380 filings subject to the provisions of this section, adjusted to reflect any  
381 rate increases provided after the cost report ending June 30, 2023. A  
382 facility may receive a rate that is less than the rate in effect for the fiscal  
383 year ending June 30, 2024, but shall not receive a rate less than the  
384 minimum per diem, per bed rate. For the fiscal year ending June 30,  
385 2025, the minimum per diem, per bed rate shall remain at five hundred  
386 one dollars for a residential facility licensed pursuant to section 17a-227  
387 and certified to participate in the Title XIX Medicaid program as an  
388 intermediate care facility for individuals with intellectual disability.  
389 There shall be no increase to rates based on any inflationary factor for  
390 the fiscal year ending June 30, 2025. For the fiscal year ending June 30,  
391 2026, the department shall determine facility rates based upon 2024 cost  
392 report filings subject to the provisions of this section, adjusted to reflect  
393 any rate increases provided after the cost report ending June 30, 2024.  
394 Additionally, the facility shall receive a rate that is three and four-tenths  
395 per cent greater than the calculated rate, except that any facility that  
396 would have been issued a lower rate effective July 1, 2025, due to interim  
397 rate status, or agreement with the department, shall be issued such  
398 lower rate effective July 1, 2025. For the fiscal year ending June 30, 2026,  
399 there shall be no minimum per diem, per bed rate for a residential  
400 facility licensed pursuant to section 17a-227 and certified to participate  
401 in the Title XIX Medicaid program as an intermediate care facility for  
402 individuals with intellectual disability. There shall be no increase to

403 rates based on any inflationary factor for the fiscal year ending June 30,  
404 2026. For the fiscal year ending June 30, 2027, each facility shall receive  
405 a rate that is five and eight-tenths per cent greater than the rate in effect  
406 for the period ending June 30, 2026, except that any facility that would  
407 have been issued a lower rate effective July 1, 2026, than the rate for the  
408 period ending June 30, 2027, due to interim rate status, or agreement  
409 with the department, shall be issued such lower rate effective July 1,  
410 2026. On or after July 1, 2027, costs shall be rebased every two years.  
411 Rebasing will be based on the cost report period ending September  
412 thirtieth, as filed with the department, from the two years prior to the  
413 year in which the rebasing occurs. There shall be no inflationary increase  
414 to rates during a year in which rebasing occurs. Any increase to rates  
415 based on inflation shall be applied prior to the application of any other  
416 budget adjustment factors that may impact such rates. For the fiscal year  
417 ending June 30, 2028, the issued rate shall be adjusted to reflect any rate  
418 increases provided after the cost report period ending June 30, 2026, and  
419 each facility shall receive a rate that is six and three-tenths per cent  
420 greater than the calculated rate, [in effect for the period ending June 30,  
421 2027,] except that any facility that would have been issued a lower rate  
422 effective July 1, 2027, than the rate for the period ending June 30, 2027,  
423 due to interim rate status, or agreement with the department, shall be  
424 issued such lower rate effective July 1, 2027. Effective January 1, 2028,  
425 each facility shall receive a rate that is six and three-tenths per cent  
426 greater than the rate in effect for the period ending December 31, 2027,  
427 except that any facility that would have been issued a lower rate  
428 effective January 1, 2028, than the rate for the period ending December  
429 31, 2027, due to interim rate status, or agreement with the department,  
430 shall be issued such lower rate effective January 1, 2028. For the fiscal  
431 years ending June 30, 2024, and June 30, 2025, a facility may receive a  
432 rate increase for a capital improvement approved by the Department of  
433 Developmental Services, in consultation with the Department of Social  
434 Services, for the health or safety of the residents during the fiscal year  
435 ending June 30, 2024, or June 30, 2025, only to the extent such rate  
436 increases are within available appropriations. For the fiscal years ending  
437 June 30, 2026, and June 30, 2027, a facility may receive a rate increase for

438 a capital improvement approved by the Department of Developmental  
439 Services, in consultation with the Department of Social Services, for the  
440 health or safety of the residents during the fiscal year ending June 30,  
441 2026, or June 30, 2027, only to the extent such rate increases are within  
442 available appropriations. Any facility that has a significant decrease in  
443 land and building costs shall receive a reduced rate to reflect such  
444 decrease in land and building costs. For the fiscal years ending June 30,  
445 2012, June 30, 2013, June 30, 2014, June 30, 2015, June 30, 2016, June 30,  
446 2017, June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30,  
447 2022, June 30, 2023, June 30, 2024, June 30, 2025, June 30, 2026, and June  
448 30, 2027, the Commissioner of Social Services may provide fair rent  
449 increases to any facility that has undergone a material change in  
450 circumstances related to fair rent and has an approved certificate of need  
451 pursuant to section 17b-352, 17b-353, 17b-354 or 17b-355. The  
452 Department of Social Services shall amend the regulations of  
453 Connecticut state agencies to allow for the waiver of the separate  
454 inflation cost limitation on direct care costs when rebasing rates for  
455 intermediate care facilities for individuals with intellectual disabilities  
456 after the fiscal year ending June 30, 2027. [Notwithstanding the  
457 provisions of this section, the Commissioner of Social Services may,  
458 within available appropriations, increase or decrease rates issued to  
459 intermediate care facilities for individuals with intellectual disabilities  
460 to reflect a reduction in available appropriations as provided in  
461 subsection (a) of this section.] For the fiscal years ending June 30, 2014,  
462 and June 30, 2015, the commissioner shall not consider rebasing in  
463 determining rates. Notwithstanding the provisions of this subsection,  
464 effective July 1, 2021, and July 1, 2022, the commissioner shall, within  
465 available appropriations, increase rates for the purpose of wage and  
466 benefit enhancements for employees of intermediate care facilities.  
467 Facilities that receive a rate adjustment for the purpose of wage and  
468 benefit enhancements but do not provide increases in employee salaries  
469 as described in this subsection on or before July 31, 2021, and July 31,  
470 2022, respectively, may be subject to a rate decrease in the same amount  
471 as the adjustment by the commissioner.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2026</i>	17b-244(a) and (b)
Sec. 2	<i>July 1, 2026</i>	17b-340(h)(1)

**HS**      *Joint Favorable Subst.*

**APP**      *Joint Favorable*