



General Assembly

Substitute Bill No. 289

February Session, 2026



AN ACT CONCERNING FUNDING OF THE QUALITY METRICS PROGRAM FOR NURSING HOMES.

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

1 Section 1. Subdivision (2) of subsection (a) of section 17b-340d of the
2 2026 supplement to the general statutes is repealed and the following is
3 substituted in lieu thereof (*Effective from passage*):

4 (2) (A) Beginning July 1, 2022, facilities will be required to comply
5 with collection and reporting of quality metrics as specified by the
6 Department of Social Services, after consultation with the nursing home
7 industry, consumers, employees and the Department of Public Health.
8 Rate adjustments based on performance on quality metrics will be
9 phased in, beginning July 1, 2022, with a period of reporting only.
10 Effective July 1, 2023, the Department of Social Services shall issue
11 individualized reports annually to each nursing home facility showing
12 the impact to the Medicaid rate for such home based on the quality
13 metrics program. A nursing home facility receiving an individualized
14 quality metrics report may use such report to evaluate the impact of the
15 quality metrics program on said facility's Medicaid reimbursement. On
16 or after October 1, 2026, the Department of Social Services may establish
17 a quality metrics program, within available appropriations designated
18 for such purpose, to provide payments to nursing home facilities [(A)]
19 (i) for high-quality outcomes based on performance in the quality

20 metrics program, and [(B)] (ii) designed to incentivize the provision of
21 high-quality services to nursing home residents who are Medicaid
22 beneficiaries, as indicated in the individualized report issued to each
23 nursing home facility pursuant to the provisions of this subdivision.
24 Such quality metrics program shall evaluate nursing home facilities
25 based on national quality measures for nursing home facilities issued by
26 the Centers for Medicare and Medicaid Services and state-administered
27 consumer satisfaction measures. Such quality measures may be
28 weighted higher for desired outcomes, as determined by the
29 department. Not later than February 1, 2027, the department shall
30 submit a report, in accordance with the provisions of section 11-4a, to
31 the joint standing committees of the General Assembly having
32 cognizance of matters relating to appropriations and the budgets of state
33 agencies and human services on the implementation of the quality
34 metrics program.

35 (B) For the fiscal year ending June 30, 2029, and each fiscal year
36 thereafter, the Department of Social Services shall make distributions,
37 from an annual pool of ten million dollars of enhanced Medicaid quality
38 performance payments, to eligible nursing home facilities based on each
39 nursing home facility's performance in the quality metrics program.
40 Payments will be determined based on the maximum quality score
41 points a nursing home facility may be awarded for its performance in
42 improving its quality metrics. In determining a nursing home facility's
43 maximum quality score points, the department may use the Centers for
44 Medicare and Medicaid Services' nursing home quarterly metrics for
45 patients with stays of one hundred one days or longer, a consumer
46 satisfaction survey and Department of Public Health data. Nursing
47 home facilities that have been identified by the Centers for Medicare and
48 Medicaid Services as special focus facilities for serious quality of care
49 issues, special focus facility candidates or with an abuse icon on the
50 centers' Nursing Home Compare Internet web site shall not be eligible
51 for participation in the quality metrics program and shall not receive
52 payment. Enhanced Medicaid quality performance payments may be
53 prorated to stay within available appropriations.

54 (C) On and after July 1, 2026, the Department of Social Services shall
 55 utilize the nursing component of the Patient Driven Payment Model
 56 resident assessment to calculate quarterly adjustments to the Medicaid
 57 nursing home facility reimbursement case-mix index scores. To align
 58 Medicaid cost data with the Patient Driven Payment Model resident
 59 assessment data, the department shall rebase nursing home facility
 60 Medicaid per diem rates using the cost year ending September 30, 2024,
 61 for rates effective July 1, 2026. To incorporate Patient Driven Payment
 62 Model data into the Medicaid per diem payment calculation, the
 63 department shall adjust Medicaid rates over a three-year phase-in
 64 period. The three-year phase-in period shall use phase-in parameters,
 65 including, but not limited to, budget adjustment factors, case-mix
 66 neutrality factors and stop loss and stop gain corridors, as necessary, to
 67 stay within available appropriations.

68 (D) Not later than July 1, 2026, the Department of Social Services shall
 69 implement a Medicaid utilization pool that provides enhanced
 70 Medicaid payments to nursing home facilities that have a resident payor
 71 mix that comprises more than seventy-five per cent Medicaid members.
 72 Utilizing annual Medicaid cost reports, the department shall determine
 73 each nursing home facility's payor mix to identify nursing home
 74 facilities eligible to receive enhanced Medicaid payments on an annual
 75 basis. Payments shall be for the purpose of supporting increased
 76 Medicaid utilization and enhanced access and services for Medicaid
 77 members. Eligible nursing home facilities shall receive enhanced
 78 Medicaid funding from a funding pool limited to two million five
 79 hundred thousand dollars for the fiscal year ending June 30, 2027, and
 80 five million dollars for subsequent fiscal years. The Commissioner of
 81 Social Services may prorate enhanced Medicaid utilization payments to
 82 stay within available appropriations.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-340d(a)(2)

AGE *Joint Favorable Subst.*

APP *Joint Favorable*