



How Should CT Use 11 Million Dollars in New Federal Money?

Uphold the Commitment to Reinvest Money Received Under Money Follows the Person

Background:

In Connecticut, 80% of individuals want to receive long-term care services and supports in their homes and communities - and it is far cheaper for the state to provide that option.

Although a variety of state programs provide services that allow individuals to remain in their homes, our current public policies and funding generally favor institutional care. The new Money Follows the Person program will restructure the delivery of long-term care services, divert individuals from nursing homes and also allow up to 5000 individuals who have been institutionalized to return to their homes and communities.

The good news:

For most Medicaid expenditures, CT receives a 50% match from the federal government (CT spends \$1 and receives 50 cents in return). However, for Money Follows the Person, we receive an “enhanced match” of over 80%. **We are projected to receive \$11 M in new federal money through this program over the next 5 years.** In addition, Money Follows the Person will save CT money as we will spend less to care for individuals at home than in institutions.

Where’s the new federal money supposed to go?

Public Act 08-180, which had over 100 legislative co-sponsors on both sides of the aisle, created a Long-Term Care Reinvestment Account for the new money. It specified a number of potential uses for the Account, all of which were designed to improve the home and community-based system and ensure its viability.

But, with the budget deficit, shouldn’t we just put the money into the General Fund? No. This might result in short-term gain, but tremendous long-term loss. Reinvestment of these funds is also federal law (Public Law 109-171, Section 1932).

The recent deficit mitigation bill (HB 5095) delayed the establishment of the Account until July: if permissible under federal law, any enhanced match funds received in FY ‘09 will be directed to the General Fund. **Additionally, the Governor’s Proposed budget for the next biennial delays it once again. The Legislature should keep its commitment to the Reinvestment Account when crafting the budget for the next biennium.**

What could happen if CT doesn’t reinvest the money into the long-term care system?

There are real and widespread concerns that, without the reinvestment of this money and a strong commitment to rebalancing, Money Follows the Person is in jeopardy. This reinvestment is essential if CT is to keep its commitment to a better, more workable and less expensive long-term care system.

Did you know?

CT spends more than \$2.2 billion annually on Medicaid long-term care expenditures.

CT serves about 51% of people in their homes and about 49% in nursing homes.

States that have done the most to “rebalance” their long-term care systems serve 85% of individuals in their homes and 15% in institutions.

In 2006, if we had served 85% of individuals in their homes (as Oregon did), **we could have saved \$590 million in that year alone.**

Long-Term Care is for older adults and **persons of all ages with disabilities.**

The CT Commission on Aging has served for 15 years as an effective leader in statewide efforts to promote choice, independence and dignity for CT’s older adults and persons with disabilities.