



**Testimony of the Connecticut Association of Not-for-profit Providers For the  
Aging**

**To the Human Services Committee**

**Presented by David Houle, Executive Vice-President of Hebrew Health Care, Inc.**

**March 6, 2007**

**In support of**

**Senate Bill 1275, An Act Concerning Adequate Staffing at the  
Department of Social Services**

CANPFA members serve thousands of people every day through mission-driven, not-for-profit organizations dedicated to providing the services people need, when they need them, in the place they call home. Our members offer the continuum of aging services: assisted living residences, continuing care retirement communities, residential care homes, nursing homes, home and community based services, and senior housing.

Good morning Senator Harris, Representative Villano, and members of the Human Services Committee. My name is David Houle and I am the Executive Vice-President and CFO of Hebrew Health Care, Inc. in West Hartford. I am here today to speak on behalf of the Connecticut Association of Not-for-profit Providers and in favor of Senate Bill 1275, *An Act Concerning Adequate Staffing at the Department of Social Services*. Specifically, I would like to speak to the pressing need to provide the Department with the personnel and resources necessary to promptly process Medicaid eligibility applications for our elderly.

An increasing number of nursing home residents are being cared for during extending periods of non-payment due to their "Medicaid pending" status. These are residents who have exhausted their private funds and have applied for Medicaid assistance. Most of these residents have provided the state with accurate and complete Medicaid applications that have been submitted with the assistance of the nursing home staff. The residents and the nursing homes are just waiting for the Department of Social Services to review and verify the information. Unfortunately the wait is becoming longer and longer – which is causing a severe cash flow crisis for many nursing homes. The extended pending status of just a few Medicaid residents can cause great uncertainty in the daily financial operations of a facility.

We believe that one of the problems is that the eligibility determination process is very time and labor intensive – particularly if the applicant has eighty-plus years of financial history to review. Because eligibility workers are overwhelmed with applications for all of

the various state medical assistance programs - they are unable to give prompt and undivided attention to the larger, more complicated skilled nursing residents' applications. While the initial review of the application must be done within 45 days, it most often results in a request to the family for more information. When that additional information is provided, the 45 day clock starts again and again a request is sent out for more information – and so it goes. As a result, these residents' applications become pending for long periods of time – for months and sometimes into years – causing the residents and their families much distress and causing the nursing facilities financial hardship.

Adding additional eligibility staff would help to alleviate these delays. In fact, because the elderly Medicaid applicant often has a more complicated application, we would propose that the Department of Social Services consider creating a centralized or specialized eligibility unit just for long term care. The efficiencies that could be developed by the creation of a specialized unit would go a long way toward streamlining the eligible process for our nursing home residents.

We would also suggest some other modifications to the current review and eligibility process that would alleviate another consequence of the pending application problem and that is the lingering "unresolved asset". We run into this situation in the nursing home setting when an application is reviewed within the 45 day time period and a disqualifying asset is discovered – an asset that often is unknown to either the nursing home or the family. This can be *any* asset valued at over \$1,600 - such as the \$1,900 whole life policy that was discovered with one of our residents. For every month that a disqualifying asset is not cashed in or spent down by the resident – that is another month of ineligibility for Medicaid. So – as in the case of the whole life policy – if the family or the resident ignores the issue, delays taking action, or is unable to quickly liquefy the asset, the application can go ungranted for months and into years. And the resident accumulates a bill that is owed to the nursing home by the resident, not the state – but the resident does not have the resources to pay it. In the case of the whole life policy, the policy was worth only \$1,900 – but the accumulated outstanding bill owed to the facility was \$63,000.

CANPFA would like to propose a modification to the review and eligibility process that would resolve this issue. We propose that after the initial 45 day review, if and when disqualifying assets are identified, the state would notify the resident, the resident's responsible party, *and the nursing home* of the finding and give the resident a 45 day notice to liquidate or spend down the asset. If, within 45 days no action has been taken, the state would then place a lien against these assets and grant the Medicaid application so that the nursing home would be able to begin to receive payment for the care of that resident. This would limit the nursing home's exposure to just 90 days of uncompensated care and would leave the state whole because the lien would eventually return the asset's value back to the state.

And finally, an additional concern is that when eligibility is finally granted and there is money due the facility from the state, there is no guidance or regulation that defines

how or when it will be paid. If a home is owed for several months or years worth of care, the state can pay it back in anywhere from two to eight month increments – as determined by someone within the Department. There is no specific guideline that dictates the payments – no way to predict or plan for full payment. We would propose that the state institute payment guidelines for accumulated past due payments. Such guidelines would provide certainty on the part of the providers who could then plan for cash flow and operational finances accordingly.

Thank you for your consideration of this testimony and I would be happy to answer any questions.

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