

# State of Connecticut

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## Testimony of State Comptroller Nancy Wyman Before the Human Services Committee

February 8, 2007

I would like to thank you for the opportunity to appear before you today to testify in favor of several bills, Senate Bill 54 An Act Concerning Increased Access To Home-Based Long-Term Care, Senate Bill 303 An Act Concerning The Operating Expenses Of Residential Care Homes, Senate Bill 384 An Act Increasing Funding For The Home-Care Program For The Elderly, Senate Bill 388 An Act Concerning State Payment Rates To Homemaker-Companion Agencies, Senate Bill 577 An Act Increasing Reimbursement Rates For Providers Of Adult Day Care Services, House Bill 5301 An Act Concerning Rates Of Payment For Adult Day Care Services, House Bill 5302 An Act Concerning Rates Of Payment For Home Care Services, House Bill 5658 An Act Increasing Funding For Home Care Alternatives, House Bill 5662 An Act Concerning Payment Rates To Home Health Care Agencies, House Bill 5663 An Act Increasing Funding For The Home-Care For The Elderly Program and House Bill 5664 An Act Concerning Payment To Home Health Care Agencies And Homemaker-Home Health Aide Agencies.

Our current system of financing long-term care is expensive, fragmented and will only become more so as the baby boom generation inches closer and closer to their golden years. It is estimated that seventy-eight million baby boomers are approaching retirement age and the current individual savings rates are the lowest in seventy-four years. These proposals are a step in the right direction to insure that seniors can stay in their homes longer thereby improving their quality of life. It also makes economic sense for the state.

According to the Kaiser Family Foundation, in 2003 \$61 billion dollars was spent by Medicaid on long term care expenses and sixty-eight percent of our nursing home residents are Medicaid recipients. Long-term care is expensive and the costs will continue to grow as our elderly population continues to grow. In Connecticut over 50% of all Medicaid spending is on long term care.

These bills will expand opportunities for senior citizens to get the help they need to stay at home for as long as possible.

We have been and are caregivers, coordinators of home care services and providers of financial support. My mom, god bless her is 93 years old and my sister and I are lucky to have been able to help her stay in her own home. Not everyone is that lucky and expanding home care savings expands the options families have for taking care of loved ones.

I wanted to mention that I have proposed legislation that will also encourage people to plan for the future with a long term home care trust fund that allows individuals to put away funds that would be deducted from Connecticut's gross income tax. The funds would be utilized for home care services that are not covered by long term care insurance because the individual does not meet an impairment of at least two of the five activities of daily living. Funds can also be utilized to supplement their long term care needs at home along with their policy.

Accessing the funds would require a physician's certification of the need for home care services and the services must be provided by an entity licensed to provide such services. This could include transportation, meal preparation and medication preparation. The funds would not be taxed as income for Connecticut income tax purposes when accessed or if transferred to a spouse and utilized for the same purpose. The limit of funds that could be deducted from Connecticut gross income tax would be \$5,000 for an individual and \$10,000 for joint filers.

Keeping people in their homes immeasurably improves their quality of life and makes fiscal sense for the state. I would be happy to work with you on the long term care and home care proposals that are before you this session. These issues are of critical importance to me.

Thank you.