



**Testimony of Brenda Kelley, State Director, AARP Connecticut
Human Services Committee
February 27, 2007**

Chairman Harris, Chairman Villano, and members of the Human Services Committee. I am Brenda Kelley, State Director of AARP Connecticut.

With the support of our 38 million AARP members nationwide, including 611,000 in the state, AARP believes that all Americans have the right to affordable health care. That is why I am here today to speak on:

- **S.B. 146** - AN ACT CREATING AN EARNED INCOME CREDIT AGAINST THE PERSONAL INCOME TAX.
- **S.B. 1128** - AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS WITH RESPECT TO SOCIAL SERVICES PROGRAMS.
- **H.B. 5640** - AN ACT CONCERNING INCREASED ACCESS TO THE MEDICAID PROGRAM FOR THE MEDICALLY NEEDY.
- **H.B. 6649**- AN ACT CONCERNING A STATE EARNED INCOME TAX CREDIT.

We are pleased that some broader scale health and long term care reforms are included in the Governor's proposed budget and in proposed legislation being debated this session. Reforming our health and long term care policies and programs must become a national and Connecticut priority. And if we really want to reform our health & long term care system so that is it more humane, higher quality, more efficient and less costly, we can't do it in small fixes. We must look at broad scale systems reform.

AARP also believes that Americans have the right to have choices should they require long term care. We believe that all Americans with disabilities, or other needs for long term assistance, should be able to live in homes and communities they choose and control decisions about services that enable them to live as independently as possible. We also believe that healthcare must be accessible and affordable to all residents.

Long Term Care:

For people needing long term care, Connecticut must shift Medicaid dollars to care for more people at home and in other residences in their community; and to pay for home modifications and support for caregivers, and other things that will enable people to live at home. On average, care at home costs Medicaid about half as much as in an institution. So what people want and need actually will save Connecticut significant dollars in the long run!

AARP strongly supports the federal Money Follows the Person demonstration grant that takes effect July 1 under DSS. The program is designed to move people who have lived in a skilled nursing facility for six months or more to a home- or community-based setting. The grant provides an enhanced Medicaid match to move 700 people in the next five years.

The Governor's budget proposes to keep the \$2.7 million for 2007-2008 and \$3.7 million for 2008-2009 already allocated to move 100 clients from nursing homes to a home setting. And the Governor's budget requests an additional \$1,729,900 for 2008-2009 to move 25 more people that year, for a total of 125. We do not think that this is a sufficient amount based on the DSS plan outlined in the Money Follows the person grant application.

AARP is asking that the Human Services Committee ensure that the state funding requested for Money Follows the Person is sufficient to meet the plan outlined in DSS's application to the Center for Medicare and Medicaid Services (CMS), which promised to:

- Increase the capacity of the Home and Community Based Services (HCBS) waivers to serve all demonstration participants (currently six waivers are in place and others are under development).
- Increase the state rental assistance program to provide state funded housing subsidies to those moving out of nursing homes.
- Amend the state plan to allow a personal care option for everyone needing long-term care.
- Employ one FTE coordinator and five housing coordinators to help people make the transition.
- Phase in 20 new transition coordinators.
- Provide 24 hour live-in care, respite, money to modify homes, and personal and financial management, and other options not currently available under CT's home and community based Medicaid waivers.
- Develop and manage effective quality assurance systems.
- Support transitions after the initial year when CT gets an enhanced Medicaid match.

AARP also believes that we must take the Money Follows the Person concept a step further. The Legislature and the state should put together whatever is necessary – Medicaid waivers, state plan amendments, and other measures - to make it possible for someone *at risk* of going into a nursing home to receive the same services as someone who was in a nursing home but left under the Money Follows the Person program.

A person shouldn't have to be institutionalized just to receive better home care under Medicaid.

On the subject of Medicaid waivers, AARP supports waivers that help people get the home and community based services that they need and choose. However, one waiver proposed in the Governor's budget is identified as being for people with multiple sclerosis, when that is not the intent of the groups, (including AARP), advocating for this important pilot program. **What we are seeking is a pilot for people with disabilities, including Multiple Sclerosis, under the age of 65 using the same structure and services as the CT Home Care Program for Elders.**

Our ultimate goal is to create one set of services available to everyone qualifying for long-term care regardless of age or disease. Functional limitations should determine the level of support provided. There should be maximum consumer choice and control. This is intent of Money Follows the Person for people transitioning from a nursing home. The same also should be true for people who need long term care services to enable them to live as independently as possible.

While not included in the Governor's proposed budget, **AARP believes it is also essential for CT to create and fund a single point of entry system for long term care services and supports.** Connecticut is one of only seven states that has not developed Aging and Disability Resource Centers that would serve as a single point of entry to assist individuals and families in obtaining information about long-term care services and supports and to help them access services that they choose. The great majority of families in CT will continue to pay privately for most of the long term care services that they may need. However, they need assistance in understanding the options available. And for people needing help in paying for their long term care, Connecticut's current system of multiple waivers, numerous state and federal programs, numerous small pilot programs, and all of these with different eligibility criteria, is very confusing to individuals and families. Also, if the state does not create this type of system, Connecticut will not be eligible for future federal discretionary funds under the Older Americans Act. We recommend that state funding be appropriated for the biennium to establish such a system in CT.

We also believe that it is essential that the budget adopted, adds back \$800,000 in lost federal funding for the elderly nutrition program as this program allows people to remain independent. One time money was added for 2006-2007, but the Governor's proposed budget does not continue this funding for subsequent years.

Last year funds were appropriated for a Long Term Care Needs Assessment that is now in the final stages of being completed by the University of Connecticut.

Health Care Reform:

AARP hopes that health care reform becomes a reality in CT! As stated earlier, AARP believes that all CT citizens have the right to affordable, quality health care coverage. We applaud the efforts of the Governor and legislative leaders to offer proposals to expand and improve health care coverage and quality in CT and we look forward to working with the administration and Legislature as these proposals get reviewed and further developed in the weeks ahead.

Prescription Drug Costs:

The state should continue to provide ConnPACE and dually eligible Medicare/Medicaid beneficiaries' access to medically necessary prescription drugs. We support the Governor's recommendation to continue state coverage of drugs for beneficiaries of ConnPACE and the dually eligible (Medicare/Medicaid) whose Part D plan doesn't cover their medically necessary drugs. However, we disagree with the statutory language proposed by the Governor that would limit expenditures for these drugs to the amount appropriated for the Medicare Part D Supplemental Needs fund. The Governor is requesting \$5 million for this fund. Even with the appeal process that DSS has recently implemented, we're concerned that the Special Needs fund may be insufficient to meet the need.

Medical Necessity:

AARP opposes changing the "medical necessity" definition under Medicaid as proposed by the Governor. Currently, the definition of "medical appropriateness" creates a presumption in favor of the treating physician's prescribed treatment that can be overcome if and only if there is a less costly and equally effective alternative. The new definition would eliminate this presumption, allowing Medicaid to require the use of a less costly alternative that is "similarly effective."

H.B. 5640:

We urge the Human Services Committee to pass H.B. 5640. H.B. 5640 would require the DSS Commissioner to exercise a federal option to use less restrictive medically needy income limits for regular Medicaid eligibility that would allow seniors, and people with disability the healthcare they need.

Connecticut's income limit for Medicaid eligibility is only \$476.19 per month of net income after deductions except in south west Fairfield County. Even when you add the \$227 deduction, the gross income limit is still just \$704 a month—almost \$150 per month below the poverty line.

Raising the Income Limit for Medicaid will also reduce the reliance on spend-down and preserve health care coverage for people who are aged, blind, and disabled.

We urge the Human Services Committee to pass H.B. 5640.

S.B. 146 & H.B. 6649

The EITC is an important federal effort to assist the working poor, and AARP supports extending a credit against on the state income tax for anyone who qualifies for the federal EITC. S.B. 146 and H.B. 6649 would create this progressive tax reform for Connecticut's working class and we urge passage of these bills.