

**Connecticut Department
of Social Services**

Caring for Connecticut



**Written Testimony Before the
Human Services Committee
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Testimony

Good morning, Senator Harris, Representative Villano and members of the Human Services Committee. My name is Claudette J. Beaulieu. I am the Deputy Commissioner of Programs at the Connecticut Department of Social Services (DSS). I am here this morning to testify in support of Raised Bill 7361, AN ACT CONCERNING CHILD SUPPORT ENFORCEMENT PROGRAM COMPLIANCE AND IMPROVEMENTS. This is legislation introduced in the committee at the request of Commissioner Starkowski. On the Commissioner's behalf, I would like to thank the committee leadership for raising the bill and for this opportunity to speak to the merits of my department's legislative recommendation this afternoon.

In addition, I am submitting written comments on several other bills on today's public hearing agenda.

Legislation Recommended by DSS

H. B. No. 7361 (RAISED) AN ACT CONCERNING CHILD SUPPORT ENFORCEMENT PROGRAM COMPLIANCE AND IMPROVEMENTS.

This bill would:

- amend various statutes to comply with the child support portions of the federal Deficit Reduction Act of 2005 (DRA);
- update Connecticut's interstate support law in accordance with the most recent version of the Uniform Interstate Family Support Act (UIFSA) approved in 2001 by the National Conference of Commissioners on Uniform State Laws;
- Establish a procedure, in cooperation with the Department of Motor Vehicles, to prevent obligors who owe at least \$5,000 past-due support in a IV-D case from renewing the registration on their recreational vehicle;
- institute a reasonable cost standard for medical insurance orders in accordance with anticipated federal regulations;
- authorize the automatic suspension of a pre-existing support order or a change of payee, as appropriate, when the Superior Court in a family matter changes the custody of a child subject to a pre-existing support order, but does not address support;
- authorize the continuation of support payments for children up to the age of nineteen who are subject to support orders in dissolution of marriage cases, regardless of whether the child resides with a parent; and
- remove the requirement for the Office of the Chief Court Administrator to prescribe forms for paternity and support petitions, and agreements to support, which are used by the IV-D agency or a cooperating support enforcement agency in accordance with various support order statutes.

Amendments to Comply with the DRA

- **Allow offset of a noncustodial parent's federal and state tax income tax refunds for collection of past-due support owed on behalf of children who are no longer minors.**

This provision of the DRA is effective 10/1/07. It is family-friendly, since it will allow the child support program to forward to non-assistance families more past-due child support from the federal income tax refunds of noncustodial parents. Under former law, the state was prohibited from collecting on behalf of non-assistance children who had already reached the age of majority. The federal law, however, allowed the collection by tax offset of arrearages owed to the state, even if the children had reached the age of majority. The revised federal law now allows a consistent use of this enforcement tool for all child support debt, regardless of the age of the children and the party to whom it is owed. The proposal seeks to amend the offset program for state tax refunds in the same way, permitting collection on behalf of non-assistance children who have reached the age of majority. This additional change is important for consistency in the state and federal tax offset programs. The amendment will permit the submittal for potential collection of thousands more cases for offset, representing almost a quarter of a million dollars in arrearages. Cost to the state for reprogramming will be minimal, within existing budget.

- **Authorize imposition of an annual fee in IV-D cases that have never received TANF benefits when the state collects at least \$500 support during the year.**

The other provision to implement the DRA authorizes a \$25 annual fee in IV-D cases that have never received TANF benefits when the state collects at least \$500 support for the family during a one-year period. The state law must be effective by October 1, 2007 to meet the DRA requirement. The bill follows the federal provision by permitting the fee to be paid out of state funds, taken out of support payments sent to the family after the first \$500, or billed to the noncustodial parent or the children's custodian.

While the bill does not mandate a collection method, the committee should know that the department plans to retain the \$25 fee from disbursements to a family that exceed \$500 in a federal fiscal year. This method seems most fiscally responsible in view of state budget constraints, since the aggregate cost to the state would be approximately \$400,000, if the state were to pay the fee in all cases. In any event, the state will have to absorb some costs due to the few cases in which less than \$25 is collected after receipt of the first \$500 in a year. The department does not intend to pursue the method of billing a party for the fee because of the administrative cost.

The impact on families that have never received TFA from taking the fee out of collections over \$500 would appear to be minimal, according to the department's initial research. The average disbursement to families receiving at least \$500 during FFY 2006 was over \$5,000. At the \$5,000 level, the \$25 fee represents only a half of one percent of disbursements. This is a small amount considering the otherwise free services that are provided to such families in the form of location of noncustodial parents, establishment of legal paternity and financial and medical support orders, court-based and administrative enforcement of orders, and collection and disbursement of support payments.

- **Limit a TANF recipient's assignment of support rights as a condition of eligibility for benefits to the support that accrues during receipt of assistance.**

The DRA requirement is effective 10/1/09, but implementation may occur anytime between 10/1/08 and 10/1/09. The bill proposes an effective date of 10/1/08 for this provision. This is another family-friendly provision, as it will mean more support going to families, but less to the state for reimbursement of public assistance. There is no cost and no revenue impact for SFY 2008, but there will be programming costs for SFY 2009. There will be revenue loss to the general fund in years after SFY 2008, as the collections that would have been retained by the state will go to families.

- **Permit use of the National Medical Support Notice (NMSN) to enforce medical support orders against custodial parents.**

Use of the NMSN to enforce medical support against noncustodial parents was authorized in Connecticut in 2002, in accordance with federal law. The DRA provision, which is effective 10/1/05, now requires that IV-D support orders include a provision for either or both parents to provide medical support, but does not require enforcement against the custodial parent. Connecticut law already authorizes medical support orders against either or both parents. This bill simply extends use of the NMSN to enforce orders for health insurance coverage against custodial parents, as well as noncustodial parents.

- **Authorize Support Enforcement Services (SES) to enforce medical support orders against custodial parents.**

This provision is needed to specifically authorize SES - as the cooperating agency with the department's Bureau of Child Support Enforcement, which is primarily responsible for court-based enforcement of support orders - to use the NMSN to enforce medical support against the custodial, as well as the noncustodial, parent.

UIFSA Amendments

As of July 2006, the 2001 version of the Uniform Interstate Family Support Act (UIFSA) was in effect or enacted in about a third of the states, and had been introduced in several others. While federal law has not yet mandated enactment, passage would be beneficial to further the aim of uniformity, enhance procedures, and clarify some issues that have arisen under the 1996 version of UIFSA. A request for exemption from federal IV-D

State Plan requirements will be submitted to the federal Office of Child Support Enforcement (OCSE) prior to the effective date of any amendments. In accordance with OCSE program guidance, an exemption may be granted if a state establishes that applying UIFSA 2001 would be as effective and efficient as UIFSA 1996. OCSE has routinely granted State Plan exemptions for this reason. The changes will have little or no cost or revenue impact.

The 2001 revisions to UIFSA do not tamper with the overriding goal of the uniform act to reach a “one-order” world. Instead, they address issues that have arisen in case law or the implementation of the act. Among the most significant changes, all of which will improve the processing of interstate cases, are the following:

- increased emphasis on the necessity of determining the controlling order when there are multiple support orders;
- a requirement that the tribunal determine arrears under existing orders, in conjunction with a determination of the order that controls prospective current support;
- a new basis for modification jurisdiction – the 2001 amendments allow an issuing tribunal to modify an order, even if no one resides in the state, if both parties consent to the exercise of jurisdiction. This change will allow the same tribunal to retain jurisdiction over spousal support, property settlement, and child support if the parties so desire;
- more direction regarding international support cases;
- clarification regarding choice of law on interest rates and duration of support; and
- required telephone hearings, if requested by an out-of-state party, whether that is the petitioner or the respondent in the litigation.

Non-Renewal of Recreational Vehicle Registrations

Another important provision in this bill would establish a procedure in cooperation with the Department of Motor Vehicles to prevent obligors who owe at least \$5,000 past-due support in a IV-D case from renewing the registration on their recreational vehicle. The bill does not involve delaying the initial registration process to permit verification of child support, but sets up a process similar to that employed by towns when personal property taxes remain unpaid.

The intent of this provision is to leverage payments on back support from non-custodial parents who have accumulated child support arrearages while enjoying ownership of a recreational vehicle, including snowmobiles, all-terrain vehicles, boats, motorcycles, and antique, rare or special interest motor vehicles. The department does not intend to prevent the renewal of a registration for any vehicle that provides essential transportation to and from work. The bill does not encumber the orderly process of registering new vehicles at the time of purchase. The process in this bill would involve a match between the child support automated system, which identifies obligors with past-due support amounts, and the DMV’s record of existing recreational vehicle registrations. Notice

would be provided to obligors subject to this process allowing them an opportunity for reduction of the child support debt or a fair hearing to challenge the non-renewal of their recreational vehicle.

Minimal costs to modify DMV's existing automated interface with DSS may be incurred to implement this provision. The process would result, however, in an increase in the amount of child support collected for families and the state. By increasing collections, federal incentive payments could increase.

I also recommend the committee's adoption of a minor amendment to this provision in the bill. The amendment was suggested by DMV, after their review of the proposal. It would clarify that non-renewal of recreational vehicle registrations would extend to registrations that are jointly held, when just one of the registrants has the child support arrearage. The amendment would:

- insert the clause “, whether held individually or jointly,” following the word “registration” in line 2029; and
- insert the words “individual or joint” at the beginning of line 2032.

Reasonable Cost Standard for Medical Support Orders

While present state law requires health care coverage orders for children, parents are required to obtain insurance only if it is available at reasonable cost. Since the statutes do not define “reasonable cost”, courts and parents, as well as support enforcement agencies, are often uncertain what the requirement means, and how it affects them.

The federal Office of Child Support Enforcement recently published proposed regulations addressing several issues relating to medical support, including the reasonable cost standard. The regulation defines reasonable cost as 5% of a parent's gross income, but allows states to set a different standard. This bill sets a 5% standard for parents who would qualify as “low-income” under the Child Support Guidelines. However, the bill retains the exemption from HUSKY contribution payments for low-income obligors, to remain consistent with the guidelines.

For parents who are not “low-income” under the guidelines, the bill sets the reasonable cost standard at 7.5% of gross income. The 7.5% standard gives courts wider latitude to make medical insurance orders, which are so important for children's well-being. Our research indicates that only a small percentage of noncustodial parents in the child support caseload would be unable to afford average family coverage under this standard. And for those parents, under this bill courts would be able to order smaller cash medical payments to offset the cost of private medical insurance carried by the other parent or provided under HUSKY. Such orders would also be subject to the 7.5% standard.

This provision will have no measurable impact on state revenue or costs.

Automatic Change of Support upon Custody Change in Family Matters

Public Act 04-100 established the principle that the payee of a pre-existing support order should be modified by operation of law when the probate court or the Superior Court in a juvenile matter changes the custody or guardianship of the subject child but fails to address the issue of support. Such a principle helps to ensure that support payments continue to be directed for the benefit of the children when living arrangements change by court order. This proposal simply seeks to extend this principle from its original applicability in probate and juvenile matters to custody change orders entered by the Superior Court in family matters.

This is a technical change with no cost or revenue impact to the state. However, in a small set of cases, support payments will be directed more accurately and expeditiously.

Postmajority Support for Child Not Living with a Parent

This is a technical change to bring the support statute for dissolution of marriage cases into line with the support statutes for other family cases. The dissolution statute was not included in last year's amendments of various support order statutes that clarified the extension of support liability for children up to the age of nineteen to include such children who are living with a caretaker other than a parent. There seems to be no compelling reason not to extend the provision to dissolution cases, and in fact the extension would support the original intent of the 2006 amendments to improve the consistency of the various support order statutes.

This is a technical change with no cost or revenue impact to the state.

Promulgation of Agreement and Petition Forms for IV-D Cases

The legislature imposed the requirement for the Office of the Chief Court Administrator to prescribe various forms referenced in the support order statutes in 1993 legislation (P.A. 93-187), which prescribed a variety of technical procedural requirements to be followed in paternity and support cases. It is of note that this same legislation extended to attorneys the authority to sign summons pursuant to petitions brought under such statutes. Prior to that, a court had to execute the summons. It is understandable, then, that the legislature was careful to specify that the judiciary should prescribe forms for these matters at that time, to ensure that the forms could be processed uniformly and expeditiously.

Since 1993, however, cooperation in charting the procedural course of IV-D child support cases has grown immensely through the negotiation and execution of a cooperative agreement between the Judicial Branch (including the Family Support Magistrate and Court Operations Divisions, as well as Support Enforcement Services) and the Department of Social Services Bureau of Child Support Enforcement. In addition, an ongoing group of managing representatives of the agencies involved in the state child support enforcement program meets regularly to tackle the many challenges inherent in such a complex program, which requires the participation of not only different agencies, but also different branches of government. The group is designated the Partners

Executive Council; and it has demonstrated through many years now the capacity to work together to set priorities, solve problems, and manage change in the child support program. It has, in fact, most recently collaborated to develop and implement two forms that are key in executing the program – the revised standard income withholding form, and a petition/ modification form that is used to seek additional support for a family when there is a new child to be covered, and there is a pre-existing support order.

Accordingly, this bill eliminates, for IV-D cases, the requirement for Chief Court Administrator approval of the various support forms that are subject to the existing law, as there is a more than adequate mechanism for ensuring that only forms that pass judicial muster will be used in such cases. The result of this amendment will be to expedite implementation of forms changes necessitated by changes in federal or state law or procedure.

There should be no cost or revenue impact to the state from this change. There may be small personnel savings resulting from a more economical forms review and implementation process.

Request for Technical Amendments

The department urges the committee's adoption of the technical amendments attached to this testimony.

In conclusion, I thank the Committee for this opportunity to testify in support of our recommended legislation.

Other Legislation Related to DSS

S. B. No. 1336 (RAISED) AN ACT CONCERNING THE OPERATION OF NURSING HOMES DURING PERIOD OF RECEIVERSHIP.

This bill makes changes to the statutes governing the administration of nursing home receiverships and Medicaid interim rate setting related to sale of facilities operated under receivership. In 2003 (PA 03-3, JSS), the nursing home receivership statute was modified to include a 90-day report date and six -month limit on the duration of court monitored receiverships. In addition, Medicaid interim rate statutes were changed to require OPM approval of new Medicaid rates in excess of the median Medicaid rate. Imposition of a time limit on receiverships was necessary and appropriate as, prior to adoption of the 2003 change, a number of receiverships lasted in excess of two years, resulting in substantial costs to the Medicaid program in the form of operating cost subsidies. The Medicaid rate restriction was adopted to assure that rate increases were only made after consideration of area bed need and with the concurrence of the Office of Policy and Management (OPM).

The Department is not supportive of the changes proposed in Bill 1336. The new statute has worked well with the three facilities that have been placed in receivership since

adoption of PA 03-3, JSS. Bill 1336 removes the requirement for submission of a report to the court on the facility's financial viability within ninety days of take over. The current statute assures that the receiver, DSS, DPH and other interested parties maintain a sense of urgency with regard to evaluating the facility's long-term prospects and sale efforts.

While OPM has agreed with Department Medicaid rate recommendations related to receivership facilities it is beneficial to have a second review of these important decisions. OPM review is also currently required for certain Medicaid interim rate decisions for facilities that are not operated under receivership. Consequently, we do not support removing OPM's rate review role.

S. B. No. 1381 (RAISED) AN ACT CONCERNING APPROPRIATIONS TO THE DEPARTMENTS OF SOCIAL SERVICES AND AGRICULTURE.

This bill revises the Medicaid nursing home reimbursement method by providing that prior year energy costs be fully allowed in rates. Presently, nursing home rate setting includes allowable cost and inflation increase limits. This bill also provides \$2.0 million to DSS to increase funding for the CHOICES program for Medicare Part D (Pharmacy) outreach, education and enrollment and a \$2.0 million increase to the supplemental nutrition assistance program.

Based upon a review of 2006 cost reports, nursing home energy expenditures, comprised of heat and electricity, approximated \$42 million. While further analysis is necessary, a preliminary review indicates that passage of this bill would increase SFY 2008 Medicaid nursing home expenditures by approximately \$7.5 million. Because the Governor's budget does not provide for the increase in expenditures contemplated by this bill the department cannot support this legislation.

CHOICES received significant one-time funding through a two-year federal transition grant to cover the initial implementation of Medicare Part D. These funds were critical as the state transitioned its Medicare eligible residents to the new Medicare Part D prescription drug program beginning January 1, 2006. By FY 08, Medicare Part D will be half way through its second program year, resulting in much more awareness and familiarity with the program both on the part of the state's elderly and disabled residents as well as providers and pharmacists that are available to address questions and concerns. Thus, the need to continue this transitional funding level does not appear warranted. In addition, it should be noted that the Governor's proposed budget includes \$400,000 for the Area Agencies on Aging and \$40,000 for the Center for Medicare Advocacy for CHOICES-related activities.

The Governor's proposed budget does not include funding to expand the supplemental nutrition assistance program.

S. B. No. 1382 (RAISED) AN ACT CONCERNING PROFESSIONAL ASSISTANCE TO PERSONS PROVIDING CHILD CARE ASSISTANCE.

This bill parallels House Bill No. 7034, An Act Concerning Collective Bargaining Rights for In-Home State Subsidized Day Care Providers. We had submitted previous testimony as follows:

Section 1. & 3 - This bill is similar to agreements implemented by executive order in the states of New Jersey, Oregon and Illinois. The bill proposes to provide collective bargaining rights to all family day care home providers licensed by the CT Department of Public Health and to any unlicensed day care provider that receives reimbursement from DSS for child care services provided under the Care 4 Kids (C4K) child care subsidy program. This bill would affect approximately 2,800 licensed family day programs and up to 7,000 relative and in-home day care providers annually, primarily grandparents, aunts, uncles, neighbors and friends of the recipient.

DSS strongly opposes this bill. Care 4 Kids is a federally funded program authorized under the Child Care and Development Block Grant Act of 1990. As such, payments issued by C4K are considered "federal public benefits." The primary beneficiary of the benefit is the child for whom the benefit is paid vs. the provider. In addition, unlicensed caregivers that provide in-home day care services are considered domestic employees. Under IRS law, the parent is the common law employer. DSS does not believe that it is appropriate to grant collective bargaining rights to non-employees that receive federal benefits as reimbursement for services provided to DSS clients. The same logic could be applied to all vendors that provide services to clients under DSS programs.

States that have implemented such agreements have agreed to pay higher reimbursements. They require all family home and unlicensed providers to pay "fair share" costs of collective bargaining regardless of whether or not the provider opts to join the union. In Illinois, \$27 million was allocated to establish a health care fund solely controlled by the union. The states are responsible for withholding dues and absorb some or all of the mailing costs associated with union publications. Administrative costs and the cost of modifying state data systems are significant and have been absorbed by the states.

Currently, reimbursement rates for all licensed day care providers are established through market rate surveys and according to credentials awarded through national accrediting bodies. Reimbursement rates for licensed family home providers are similar, but generally less than the rates paid to licensed day care centers. They reflect differences in staff ratios, programming and other costs of doing business. This bill would effectively replace the current market driven structure with a system of collective bargaining for the affected groups. It would negatively impact efforts to increase the quality or early childhood education by reducing the financial incentives for unlicensed day care providers to become licensed. Rate increases established through collective bargaining would be passed through to day care center, group homes and other providers not

affected by the agreement. This would ultimately compromise the Department's ability to keep the C4K program open to non-TANF families.

Section 2 – DSS also opposed this section, which proposes to provide educational grants and insurance premiums to individual providers. DSS currently funds a variety of programs that support family day care providers access to professional development opportunities. DSS also administers the HUSKY health insurance program. Adults with children earning up to 150% of the FPL are eligible for HUSKY A. Adults with 2 of their own children can earn up to \$25,000/yr and be eligible for HUSKY A. If such adult becomes a licensed or unlicensed child care provider, such provider can enroll 3 children, receive approximately \$22,000 from the Care 4 Kids child care assistance program in a year for the 3 enrolled children and remain eligible for HUSKY A.

S. B. No. 1383 (RAISED) AN ACT CONCERNING MEDICAID MODERNIZATION.

This bill requires that the Department payments for inpatient hospital, outpatient clinic and emergency room services equal actual costs.

The Department recognizes that the hospitals are under financial pressure. As you are aware, in this fiscal year the Department increased the minimum per discharge allowance for inpatient services from \$3,750 to \$4,000, substantially increased outpatient clinic and emergency department rates and made grants to six hospitals under the Hospital Hardship Fund. These initiatives were funded in the amount of \$20.5 million.

There are a number of hospital reimbursement proposals currently under consideration by the General Assembly. As Commissioner Starkowski made clear in his testimony before the Appropriations Committee, even without significant increases in Medicaid provider reimbursement our agency budget grew by \$1 billion over the last 5 years. Most of that growth was in health care costs. During that same period while we have tried to hold back the per unit cost of health care services, enrollments have grown, as well as utilization and the recourse to higher cost technologies.

Our February 27, 2007 comments on HB 7240 that would implement the Program Review Committee recommendation to adopt a case mix system reimbursement system also apply to RB 1383. The proposed changes are substantial and will require an amendment to the Medicaid State Plan. We want to make sure that any new methodology does not result in negative financial surprises to hospitals or the state budget. We are committed to work hard during the current session to fully assess and develop changes to Medicaid payment rates and related hospital funding programs that are acceptable to the Governor and the General Assembly. In 2005, we worked extensively with legislators and staff to change nursing facility reimbursement in conjunction with implementation of a User Fee/Provider Tax program that needed to adhere to stringent Federal requirements. That level of effort will also be necessary with regards to hospital funding.

S. B. No. 1395 (RAISED) AN ACT CONCERNING INDEPENDENT TRANSPORTATION NETWORKS.

This bill provides funding for the Department of Social Services to continue funding the existing 5 community-based regional transportation development projects in FY 2008 in the amount of \$25,000 each. Additionally, it also funds the Department to select five new municipalities to undertake projects during that fiscal year in order to continue to design and implement community-based regional transportation systems on a state-wide basis.

Whether it is to make a medical appointment, run errands, get to work or shop, or gain access to vital social service programs, reliable and dependable transportation is critical to helping community members remain healthy, productive individuals.

In rural regions, transportation is critical in helping many older adults make these crucial connections, but in many places it is too often lacking or even nonexistent. Three out of four older people live in rural and suburban areas that lack the density for traditional mass transit. Moving rates among people over 65 are the lowest of any age group, and have been declining for the last thirty years. Most people will stay in their current homes as they age, and most will need access to a car. In these unserved and underserved communities, people with disabilities, older adults and other public transportation-dependent individuals suffer the most isolation.

Over the next twenty-five years, the number of older Americans will double, and older adults will make up a larger portion of the population than ever before in U.S. history. In 2002, there were 35.6 million people over 65, making up 12.3 percent of the population. By 2030, the number of older Americans will reach more than 70 million, and 1 in 5 people will be over the age of 65 in most states. Also, one out of every four drivers on the road will be 65 or older.

Older adults rely on the automobile as their primary mode of transportation – even when safety to themselves and others should dictate that they should be seeking alternatives. Many older adults lead active social lives and are reluctant to give up their freedom and the convenience of driving. Their fears of isolation and lack of independence are warranted. Research shows that more than half of non-drivers age 65 and older, or 3.6 million Americans, stay home on any given day partially because they lack transportation options. As a result, older non-drivers are less able to participate in their communities. Compared with those who still drive, older non-drivers make:

- 15 percent fewer trips to the doctor;
- 59 percent fewer shopping trips and visits to restaurants; and
- 65 percent fewer trips for social, family and religious activities.

Older adults know they face a tough decision sooner or later, changes in vision, hearing, reaction time, and other age related conditions or illnesses can affect the ability to safely

remain behind the wheel. But determining when to hang up the car keys is a challenging choice for older adults and their families.

It is also an important issue for communities, which often are called on to provide alternative means of transportation for aging residents who can no longer drive. Without acceptable alternatives, many older adults will continue to drive themselves, even as their capacity to do so diminishes. Despite their efforts to self-regulate their driving (e.g. avoiding congested areas, avoiding night driving), their safety remains at risk. Older adults who continue to drive suffer more serious injuries and face the highest fatal crash rate of any group.

The current projects -- American Red Cross, Central CT Chapter (Berlin, New Britain and Plainville); Town of Enfield's North Central Community Transportation Network (Enfield, Bloomfield, East Granby, East Windsor, Granby, Somers, Suffield, South Windsor, Windsor and Windsor Locks); St. Luke's Home (East Hampton, Middlefield, Middletown and Portland with potential for the rest of Middlesex County and potentially Rocky Hill and Glastonbury); Western Connecticut Area Agency on Aging (Barkhamsted, Colebrook, Goshen, Harwington, Litchfield, Morris, New Hartford, Norfolk, Torrington and Winchester), West Hartford (West Hartford, Farmington, Bloomfield) -- only begin to test the possible ways to address regional transportation needs. The rural areas of Eastern Connecticut, which pose yet additional issues, still While the continued 50/50 funding of the initial projects will help to ensure their viability and seed money for the new projects will help link regional efforts, the Governor's budget does not include funding for these initiatives.

H. B. No. 7280 (RAISED) AN ACT CONCERNING AUTISM.

The bill would allow the Department of Social Services to seek a Medicaid Home and Community Based (1915c) waiver or other funding source in order to provide home and community-based support services for adults with autism spectrum disorders who are not mentally retarded. The existing Individual and Family Support Medicaid 1915c waiver provided funding for home and community based individualized support for persons with mental retardation, but there is no funding for this type of service for persons with autism spectrum disorders.

Although persons with autism spectrum disorders who meet the Social Security Administration's disability criteria may be eligible for the Medicaid program, they are ineligible under Medicaid for support services specific to their special needs that are available to disability populations covered under Connecticut's other Medicaid waivers.

Individuals, who are high functioning autistic adults and who have been found eligible for "time-limited" BRS/DSS vocational services, often need long-term vocational supports. The state budget for the supported employment program called Employment Opportunities Program has limited funding (\$1,225,343) and has a waiting list for those

who are eligible. There is a small pilot program of \$250,000 that DMR was recently funded to provide services for those on the Autism Spectrum in the New Haven Region.

Although this is a laudable goal, the Committee should understand that there are no funds in the budget to develop the waiver or implement the program if approved at this time, and given the potentially large population of the proposed expansion, this initiative could result in significant additional costs. In addition, the proposal needs further review in terms of identifying the specific Medicaid services that could be provided and whether those services would meet waiver cost-neutrality requirements given that those persons are not currently institutionalized or at risk of institutionalization

H. B. No. 7323 (RAISED) AN ACT CONCERNING LONG-TERM CARE.

This bill proposes establishing a pilot program for persons under age 65 who need care management similar to the model provided in the CT Home Care Program for Elders. This program would provide an alternative for clients who do not qualify for the PCA waiver because they are not able to direct and manage their own care. While we are very supportive of developing community based options instead of care provided in institutional settings, at this time there are no funds included or proposed in the agency budget for this purpose.

It should also be pointed out that the bill sets the asset limit for a single person at 100% of the minimum community spouse protected amount and at 150% for couples. This was the same for the CT Home Care Program however, subsection 17b-342 was changed so that effective 4/1/07 the asset limit for a single person will be at 150% of the MCSPA and for a couple, it will be 200%. Since this pilot is to mirror the CT Home Care Program, it should reflect the same asset limits.

H. B. No. 7324 (RAISED) AN ACT CONCERNING MEDICAID REIMBURSEMENT RATES TO PHARMACISTS.

The Deficit Reduction Act (DRA) proposes an important pharmacy related change to one of the common benchmarks used to calculate certain drug cost reimbursements to pharmacies. This benchmark, Average Manufacturer Price (AMP), has not been used for Medicaid reimbursement. The Centers for Medicare & Medicaid Services (CMS) recently released the proposed AMP regulation, which would provide a regulatory definition of the AMP as well as implement a new Medicaid Federal Upper Limit (FUL) program for generic drugs. There is no doubt that this change would impact the reimbursement rates currently being paid to pharmacies servicing our Connecticut Medical Assistance Program beneficiaries.

CMS has provided states with some preliminary information related to AMP. The Department has been working closely with the CT Pharmacists Association and the UCONN School of Pharmacy in analyzing the impact of these changes. Part of the analysis consists of reviewing the many national and regional cost of dispensing studies which have been done over the last few months by various organizations as well as the

proposed regulations which were recently released. We have also used the CMS AMP file while analyzing the pricing and utilization data of current pharmacy claims as well as all active National Drug Codes (NDCs). With the many changes that are underway that may affect the reimbursement for products, those changes and their resulting impact cannot be fully determined at this time. Until the final regulations are released by CMS, which is slated for early summer (June/July '07), additional analysis would be required to appropriately determine the impact of these regulations. It is too early to determine what changes and at what level the reimbursement currently paid to pharmacies participating in the CT Medical Assistance Program would need to be adjusted.

The Department recognizes that changes in pharmacy reimbursement may be required, but again, to what extent we cannot determine at this time until the final regulations are available. It should be noted that while CMS has not issued any written guidance, communications have indicated that if states seek to hold harmless, they must do so at their own expense without any federal match.

H. B. No. 7325 (RAISED) AN ACT CONCERNING MEDICAID FUNDED TRANSPORTATION OF MINORS FOR EMERGENCY AND NONEMERGENCY SERVICES.

This bill would require the department to pay for parents to accompany their kids on non-emergency medical transports (NEMT). While this bill would resolve the safety issue, it is a cost that is not budgeted for in the Governor's proposed budget. The bill would also create a mandate on transportation providers to accept the additional child/children. This may add complexity to an already burdened transportation system.

For additional information concerning this testimony, please contact Matthew Barrett, Legislative Liaison, Department of Social Services, at 860-424-5012, or via email at matthew.barrett@ct.gov.

TECHNICAL AMENDMENTS REQUESTED TO H. B. No. 7361 (RAISED) AN ACT CONCERNING CHILD SUPPORT ENFORCEMENT PROGRAM COMPLIANCE AND IMPROVEMENTS.

- Line 85: After “collected” delete “. The annual fee shall be” and insert “.”.
- Line 276: Delete “, as amended by this act”.
- Line 280: Delete “, as amended by this act”.
- Line 301: Delete “, as amended by”; and insert “.” at the end.
- Line 302: Delete in its entirety.
- Line 480: Delete “46b-213v” and insert after “to” the following: “[46b-213v] 46b-213w”.
- Line 673: Delete “a” and insert “its” after “modify”.
- Line 705: Delete “are individuals” and insert “is an individual” after “who”.
- Line 792: Delete “an individual party” and insert “a party who is an individual” after “upon request of”.
- Line 820: Delete “the identity of” and insert “[the identity of] which is” after “determining”.
- Line 821: Delete “an order determining the” and insert “[an] the order determining [the] which is” after “issuance of”.
- Line 822: Delete “identity of” and insert “[identity of]”.
- Line 823: Insert after “child support.” the following: “A party or support enforcement agency obtaining the order that fails to file a certified copy is subject to appropriate sanctions by a tribunal in which the issue of failure to file arises.”
- Line 1003: Insert after “act.” the following new subsection (c): “(c) The Attorney General may determine that a foreign country or political subdivision has established a reciprocal arrangement for child support with this state and take appropriate action for notification of the determination.”
- Line 1099: Delete “individual party” and insert “party who is an individual” before “in a”.
- Line 1370: Delete in its entirety.
- Line 1371: Delete “and the child does not reside in the issuing state, and” and insert before “except as” the following: “(a) [After] If subsection (f) of this section does not apply,”.
- Line 1388: Delete “jurisdiction over” and insert “jurisdiction, [over” after “exclusive”.
- Line 1389: Delete “jurisdiction, [that” and insert “jurisdiction that” after “foreign”.
- Line 1929: Delete “as”.
- Line 1930: Delete “amended by this act,”.

Line 2014: Insert “(TFA)” after “cases”.

Line 2015: Delete “nontemporary family assistance” and insert “non-TFA” after “in”.

RAISED BILL NO. 7361 – PROVISION LOCATOR TOOL

#	Provision	Statutory Change	Section #	Line #s	Effective Date
1.	Amend various statutes to comply with the federal <i>Deficit Reduction Act of 2005</i>.				
a	Allow offset of a noncustodial parent's federal and state tax income tax refunds for collection of past-due support owed on behalf of children who are no longer minors.	12-742 52-362e	66 64	2068-2093 1951-2026	10/1/07
b	Authorize imposition of an annual fee in IV-D cases that have never received TANF benefits when the state collects at least \$500 support during the year.	17b-179(h)	2	48-87	10/1/07
c	Limit a TANF recipient's assignment of support rights as a condition of eligibility for benefits to the support that accrues during receipt of assistance.	17b-77	1	1-47	10/1/08
d	Permit use of the National Medical Support Notice to enforce medical support orders against custodial parents.	38a-497a(e) 46b-88(b)(1)	5 8	171-208 303-315	10/1/07
e	Authorize Support Enforcement Services to enforce medical support orders against custodial parents.	46b-231(s)	61	1793-1869	10/1/07
2.	Institute a reasonable cost standard for medical insurance orders in accordance with anticipated federal regulations.	17b-745(a)(2)(A) 46b-84(f) 46b-88(d) 46b-171(a)(2) 46b-215(a)(2) 52-362(a) 52-362(e)	3 7 9 11 57 62 63	88-150 221-302 316-329 392-454 1690-1752 1870-1915 1916-1950	10/1/07
3.	Establish a procedure for notifying the Department of Motor Vehicles of past-due support owed by a noncustodial parent and authorizing non-renewal of recreational vehicle registrations if such past-due support is not settled to the satisfaction of the Commissioner of Social Services.	NEW	65	2027-2067	1/1/08

RAISED BILL NO. 7361 – PROVISION LOCATOR TOOL

#	Provision	Statutory Change	Section #	Line #s	Effective Date	
		46b-213h	44	1220-1261	1/1/08	
		46b-213j	45	1262-1282	1/1/08	
		46b-213k	46	1283-1318	1/1/08	
		46b-213l	47	1319-1336	1/1/08	
		46b-213m	48	1337-1359	1/1/08	
		46b-213p	49	1360-1367	1/1/08	
		46b-213q	50	1368-1439	1/1/08	
		46b-213r	51	1440-1465	1/1/08	
		46b-213s	52	1466-1479	1/1/08	
		46b-213t	53	1480-1493	1/1/08	
		46b-213u	54	1494-1522	1/1/08	
		46b-213v	55	1523-1530	1/1/08	
		46b-213w	56	1531-1689	1/1/08	
5.	Authorize the automatic suspension of a pre-existing support order or a change of payee, as appropriate, when the Superior Court in a family matter changes the custody of a child subject to a pre-existing support order, but does not address support.	46b-224	60	1779-1792	10/1/07	
6.	Authorize the continuation of support payments for children up to the age of nineteen who are subject to support orders in dissolution of marriage cases, regardless of whether the child resides with a parent.	46b-84(b)	6	209-220	10/1/07	
7.	Remove the requirement for the Office of the Chief Court Administrator to prescribe forms for paternity and support petitions, and agreements to support, which are used by the IV-D agency or a cooperating support enforcement agency in accordance with various support order statutes.	17b-745(a)(7)(A)	4	151-170	10/1/07	
		46b-160(a)	10	330-391		
		46b-172(b)(4)	12	455-463		
		46b-172(c)(3)	13	464-473		
		46b-215(a)(3)	58	1753-1771		
		46b-223	59	1772-1778		