



TESTIMONY BEFORE THE HUMAN SERVICES COMMITTEE
REGARDING

**SB 561 - AN ACT CONCERNING THE MONEY FOLLOWS THE PERSON PROJECT AND
ESTABLISHMENT OF A LONG-TERM CARE TRUST FUND**

HB 5791 - AN ACT CONCERNING A SINGLE POINT OF ENTRY FOR LONG-TERM CARE
March 4, 2008

Senator Harris, Representative Villano, and members of the Human Services Committee, my name is Brian Ellsworth and I am President & CEO of the Connecticut Association for Home Care & Hospice (CAHCH), whose members serve over 80,000 elderly, disabled and terminally ill Connecticut citizens.

As the voice of home care & hospice providers in CT, CAHCH is pleased to **support** the goals and objectives of SB 561, which seeks to expand the Money Follows the Person (MFP) project from 700 to 5,000 persons and create a long-term care (LTC) trust fund. We are also pleased to support HB 5791, regarding a single point of entry for LTC. Specific concerns and recommendations are attached to our testimony.

Connecticut is at an important crossroads with respect to long term care. Most policymakers are already aware of the coming age wave. Several other things have now come together in a perfect storm: completion of the first LTC Needs Assessment in 20 years, the focus on nursing homes brought about by recent news coverage and the enactment of the Money Follows the Person program.

Now is the time for bold action. To do that, we must separate fact from fiction and focus on key priorities.

A good starting point is to take a careful look at nursing homes. To date, most of the focus has been on staffing levels. Unfortunately, this focus diverts attention away from a more important issue: CT has more people in nursing homes per capita than all but three states.¹

In fact, if our nursing home use was at the national average, CT would have 6,000 fewer people receiving long term care in nursing homes. Further, if the national nursing home use rates were applied to CT's population growth projections, there would still be fewer nursing home residents in 2020 than there are today.²

Analysis of Use of Nursing Homes Connecticut vs. National

2005 CT Nursing Home (NH) Residents	27, 568
2005 National NH Use Rate Applied to 2005 CT Population	21,358
2005 National NH Use rate Applied to 2020 CT Population Projection	25,685

CT urgently needs a thoughtful and deliberate nursing home “rightsizing” policy (see attachment for elaboration).

According to the Department of Social Services,³ the CT Home Care Program for Elders saved the State over \$115 million in 2006 by preventing or delaying nursing home placement. (This is due to the fact that the average cost per person under the CT Home Care Program for Elders is about one-quarter of the cost of a nursing home.) Unfortunately, to achieve this terrific outcome, home health agencies lost about \$30 million due to inadequate Medicaid rates.

¹ “Across the States: Profile of Long-Term Care and Independent Living,” AARP Public Policy Institute, 2006, pg. 61; http://assets.aarp.org/rgcenter/health/d18763_2006_atl.pdf

² This result is in contrast to projections in the recently completed LTC Needs Assessment. That report's finding that CT would need 20 percent more nursing home beds by 2025, even with rebalancing assumptions, is based on a projection with the current CT nursing home use rates applied to future demographic changes.

³ “CT Home Care Program for Elders, Annual Report to the Legislature, SFY 2006,” CT Department of Social Services, pg. 8; www.ct.gov/dss/lib/dss/pdfs/annualreport2006.pdf

In order to continue to give CT's citizens real choice about long term care and save precious taxpayer dollars, the State must significantly increase its investment in home care.

Increasing Medicaid rates to meet the actual costs of care, changing eligibility policies to favor home care, enacting the Trust Fund, and improved information for consumers would be good starts.

Thank you for consideration of our comments.

Attachment

Specific Comments Regarding

SB 561 - AN ACT CONCERNING THE MONEY FOLLOWS THE PERSON PROJECT AND ESTABLISHMENT OF A LONG-TERM CARE TRUST FUND

In subsection C of Section 2, the list of services for which the Commissioner of Social Services could expend funds from the account should include home health services and telemonitors.

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Language needs to be added to either clarify that entities performing the single point of entry shall not make referrals to specific providers or must demonstrate on a periodic basis that their referral process is unbiased.

Elements of a Nursing Home Rightsizing Policy for CT

1. A thorough review of the acuity level of nursing home residents, using data readily available from the Minimum Data Set, should be undertaken by the researchers from UCONN who authored the LTC Needs Assessment. The results of this analysis should serve as a blueprint for how much rightsizing can be meaningfully accomplished.
2. Nursing home payment policies for capital and fixed costs should reward rightsizing, especially if capacity reductions are combined with renovation or rebuilding of older physical plant.
3. CT should also have a Medicaid case mix (acuity-based) payment policy for nursing homes to assure that remaining beds are used by those most in need for that level of care. CT's archaic, cost-based Medicaid nursing home payment policy is 20 years out of date.
4. A transition plan should be developed for healthcare workers to move from institutions to home & community-based care settings.