



Advocating for Older Adults of Today and Tomorrow

Testimony of

Julia Evans Starr, Executive Director
Connecticut Commission on Aging

Appropriations Committee

Governor's Budget Proposal
Department of Social Services

February 18, 2009

Thank you for this opportunity to comment on the impact of Governor Rell's proposed budget on the Department of Social Services and its programs.

As you know, the Connecticut Commission on Aging is the independent state agency solely devoted to enhancing the lives of the present and future generations of our state's older adults. For fifteen years, the Commission has served as an effective leader in statewide efforts to promote choice, independence and dignity for Connecticut's older adults and persons with disabilities. As part of our statutory mandate set forth in CGS §17b-420, the CT Commission on Aging reviews and comments on this budget annually.

In these difficult budget times, research-based initiatives, statewide planning efforts, vision and creative thinking are all needed to ensure a continued commitment to services and supports for individuals in need. The Connecticut Commission on Aging stands ready to assist our state in finding solutions to our fiscal problems, while keeping commitments to critical programs and services.

One of our operating principles under Results Based Accountability is to promote independence and choice for older adults while remaining responsible to society as a whole. We believe that the Governor's proposed budget falls short of this result on behalf of Connecticut's residents both young and old.

Consider the Economic Stimulus Package just signed by President Obama yesterday. States across the nation are receiving new federal funds to stimulate the economy and help states navigate through this challenging fiscal period. The major conduit of these funds is through an enhanced match to Medicaid through which Connecticut will receive approximately \$1.3 billion—roughly the same amount as our Rainy Day Fund. I would gently suggest that a portion of these funds should safeguard key programs for those most vulnerable and to make wise investments in programs that keep Medicaid viable.

State Capitol • 210 Capitol Avenue • Hartford, CT 06106
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LTC website: www.ct.gov/longtermcare



**The Connecticut Commission on Aging thanks the Governor
for including the following in her proposal:**

- **CT Home Care Program for the Disabled:** This pilot program currently provides home care services to 41 individuals aged 18-64 with neurological conditions such as Multiple Sclerosis. The \$720,000 in funding for this program helps these individuals avoid institutional care—at a savings to the state of over \$2 million annually. Please support this important program.
- **Elderly Nutrition:** Governor Rell's proposal includes an additional \$450,000 in each year for elderly nutrition, including home-delivered meals. These funds are needed to address waitlist issues, as well as to help providers meet the rising cost of food and gasoline.

**The Connecticut Commission on Aging has profound concerns about the
following aspects of Governor Rell's proposed budget for the next biennium:**

- **CT Home Care Program for Elders:** Governor Rell's proposal caps enrollment in the state-funded portion of this program at the June, 2009 level, which will lead to a waitlist for these critical services. It also reduces overall program funding.
 - The CT Home Care Program for Elders (CHCPE) provides home- and community-based care to approximately 15,000 older adults annually as an alternative to nursing home placement. About 64% of CHCPE participants are enrolled in the Medicaid-funded portion of the program; 36% of participants have incomes too high for Medicaid and are in the state-funded portion.
 - The Department of Social Services estimated that the **CHCPE saved over \$91 million** for the State of Connecticut in FY '07 by avoiding nursing home placements. Individuals who want to receive care under this program will not have this choice and could likely end up being institutionalized instead.
- **Reimbursement Rates:** Governor Rell's budget proposal does not provide sufficient Medicaid reimbursement rates to providers across the continuum of long-term care, threatening the very existence of services across the spectrum. Providers from nursing homes to home care receive no increase at all under the Governor's plan.
- **Home and Community Based Waivers:** Governor Rell's proposal does not open the Personal Care Assistant (PCA) or Acquired Brain Injury (ABI) waivers to individuals who are waitlisted for services. Currently, 32 people are waiting for services through PCA and about 24 are waiting for services through the ABI waiver. These individuals will still need care and will likely end up being institutionalized.
- **Long-Term Care Ombudsman Program (LTCOP):** Governor Rell targets yet another "oversight" agency by removing \$360,000 in state funding for the Long-Term Care Ombudsman Program. The LTCOP provides oversight, guidance and resident assistance at a time of rampant bankruptcies and receiverships of nursing homes, which cause undue disruption and distress for nursing home residents and their loved ones. Oversight of conditions in nursing homes, residential care homes and other facilities is sorely needed to protect the health and welfare of the most vulnerable, frail individuals in our state.

- **Dental Services:** The Governor proposes to limit Medicaid dental services to adults to emergencies only. This “penny-wise, pound-foolish” proposal will lead to more emergency room visits, decrease quality of life, and cause some older adults to have difficulty receiving adequate nutrition.
- **Prescription Drugs:**
 - **ConnPACE:** Connecticut’s hallmark prescription drug program for older adults and persons with disabilities would be dramatically altered under Governor Rell’s proposal. Among the changes to ConnPACE are the following:
 - Limited enrollment: Governor Rell’s proposal also limits annual enrollment in ConnPACE to a new “open enrollment period” of November 15-December 31, which will unnecessarily complicate program enrollment for individuals who have a change in health status mid-year.
 - Asset test: The proposal institutes an asset test of \$12,510 for single applicants and \$25,010 for married applicants. The Department of Social Services estimates that 14,000 people will no longer qualify for ConnPACE if this restrictive asset test is implemented. About 33,000 individuals are currently on ConnPACE.
 - **Medicaid:** Governor Rell’s budget proposes dramatic changes in Medicaid’s pharmacy programs. Among the many changes to Medicaid are the following:
 - Part D wrap-around: Connecticut was a national leader in establishing a wrap-around program that fills in the gaps left by Medicare Part D. The Governor’s proposal obliterates the wrap-around by eliminating coverage for non-formulary drugs, requiring copayments for dually-eligible individuals (generally, the lowest-income elderly and persons with disabilities) and requiring prior authorization for psychiatric and high-cost drugs.
 - Cost-sharing requirements: The proposal requires copayments for prescription drugs, as well as for most other medical services. While the Legislature has twice tried to implement copayments for Medicaid enrollees, prior federal law stated that Medicaid clients could not be denied services or prescriptions for failure to pay a copayment. Therefore, the Legislature’s intent was never effectively implemented and was repealed. **Federal law has since changed: a Medicaid enrollee can be denied a drug if he or she does not have even a minimal copayment.** Enrollment in Medicaid is restricted to extremely low-income individuals; even a small copayment can make an impact on a monthly budget, particularly for individuals on multiple medications.
- **Money Follows the Person:**
 - Long-Term Care Reinvestment Account: The proposal delays the establishment of the legislatively-mandated Long-Term Care Reinvestment Account, which was created by PA 08-180 and was to be funded through new federal funds (the Money Follows the Person “enhanced match”). The creation of this account has already been delayed to July 2009 (PA 09-1, January’s deficit mitigation plan). This Reinvestment Account is necessary to ensure that services are available to people who are in their

homes and communities. Reinvestment of the enhanced match is also the intent of the federal law that created the Money Follows the Person program.

- MFP-2 Demonstration: Governor Rell's proposal also delays the implementation of a demonstration project known as "MFP-2". MFP-2 was passed into legislation in 2008 and will serve individuals who have not been institutionalized for 6 months. Without this program, individuals will need to remain in institutions longer—costing the state money and decreasing their quality of life.

Thank you again for this opportunity to comment. As always, please contact us with any questions about this issue or other aging-related issues. It's our pleasure to serve as an objective, nonpartisan resource to you.