Testimony of Brenda Kelley, AARP CT State Director
SB 843 & HB, 6524
Human Services Committee Public Hearing, 3/3/2009

Good Morning. Thank you for the opportunity to testify today about the Governor's budget proposal for human services and other proposed legislation. My name is Brenda Kelley and I am the State Director for AARP Connecticut. AARP is a nonprofit, non-partisan membership organization for people age 50 and over. We have more than 40 million members nationwide and over 629,000 in Connecticut.

Older residents in Connecticut have been among the hardest hit by the economic crisis. Often living on fixed incomes, they have seen their retirement savings drastically reduced, making it even harder for them to afford the high costs of health and long term care. AARP believes that we should not balance the budget on the backs of our most vulnerable residents with disproportionate cuts to the health and human services parts of the budget. We also should beware of potentially attractive short-term savings that exposes the state to greater liability and costs in the long run.

SB 843, An Act Implementing the Governor's Budget Recommendations Concerning Social Services, makes significant cuts to the health and long term care safety net and, if implemented, will very negatively impact vulnerable older adults and other vulnerable CT residents. I want to thank you for rejecting most of these proposed cuts in the recent deficit mitigation plan for SFY 09 adopted by the General Assembly on 2/25/2009. AARP hopes that you will be able to sustain this decision as you work to adopt a state budget for the next two fiscal years. We also are concerned about HB 6524, An Act Concerning Managed Care for Certain Medicaid Beneficiaries, especially at this point in time.

Thank you for Opposing Devastating Cuts to ConnPACE! Please sustain these decisions as you work to adopt a budget for FY 10-11!

AARP is deeply concerned with proposals contained in SB 843 that would decimate the Connecticut Pharmaceutical Assistance Contract to the Elderly and Disabled (ConnPACE) program by slashing funding for the program and implementing changes that will make it more difficult, if not impossible, for the vast majority of those currently eligible for the program to qualify. Since it was created in 1986, the ConnPACE program has provided a lifeline to many people with disabilities and low-income elderly who otherwise could not afford costly prescription drugs.

The proposal in SB 843 to apply the federal low-income subsidy asset test to the ConnPACE program (i.e. $12,510 for individuals and $25,010 for married couples in 2009), would essentially destroy the program and irreparably harm a significant number of the more than 30,000 people with disabilities and elderly Connecticut residents that rely on this program to pay for costly prescription drugs.

Like major state prescription drug programs in other states, ConnPACE has been based on income alone and has never been the subject of an asset test. And for good reason: no one should have to choose between paying their rent, buying groceries, or paying for prescription drugs. Applying an asset limit to ConnPACE unfairly punishes those who have saved over the years and harms those who need the modest income generated by their savings to pay for food, housing and medical care.

Suspending COLA increases in income, as SB 843 proposes, would also reduce the number of people eligible for ConnPACE. For example, if Social Security benefits increase during this period people's incomes may increase just enough to make them ineligible for ConnPACE. This is exactly what happened when the state tried this several years ago. Connecticut realized back then that there would have to be a mechanism to automatically adjust ConnPACE income limits to match any increases in Social Security payments, or risk disqualifying many seniors every time a minor Social Security increase took effect.

Similarly, an open enrollment period would add a significant obstacle to seniors trying to get access to the prescription drug program. If a senior is unable to come up with the annual enrollment fee in December, he or she would be locked out of ConnPACE for the year rather than simply delaying his/her enrollment until they had enough money to cover the enrollment fee.

This legislation also would discontinue state coverage of drugs not on a ConnPACE and/or dually-eligible individuals' Medicare Part D Plan drug formulary to allow time for DSS to file an appeal on their behalf with their Part D plan or to work with the individual's doctor to secure a prescription for an equally effective drug that is on the formulary. This program has been very effective in ensuring that individuals do not stop taking drugs that are necessary for their health because of a restrictive Part D formulary.

A ConnPACE asset test and other changes that would significantly reduce eligibility & benefits may be penny-wise, but they are definitely pound-foolish. Instead, AARP supports using the proposal outlined in H. B. 5056, An Act Concerning Eligibility for the Medicare Savings Programs, as a way to maximize federal funds, save money on ConnPACE, and assist more low-income Medicare beneficiaries in paying their Medicare Part B premium and, in many cases, also reducing other Medicare and prescription drug costs. We were very pleased that you included the provisions of this legislation in the budget deficit mitigation plan for SFY 2009 passed on 2/25/09. When similar legislation was considered during last year's legislative session, it was estimated that Connecticut's low-income Medicare beneficiaries (seniors and people with disabilities) could have saved some $47 million per year in co-pays and premiums while saving the state money at the same time. So by your vote last week you have protected ConnPACE beneficiaries, provided them with an economic stimulus of over $40 million per year once this is implemented, and also saved Connecticut over 4 million dollars. This is exactly the creative thinking that will help us get through this devastating fiscal crisis. Again, congratulations and thank you! We hope you will sustain this wise decision as you work to adopt a budget for the next 2 years.

Thank you for Opposing Reductions to the CT Home Care Program for Elders! Please sustain these decisions as you work to adopt a budget for FY 10-11!

And please ensure that the Money Follows the Person initiative and other vital programs have the resources they need to support people in receiving quality long term care.

AARP also opposes the proposed cuts for home and community based long-term care services under the Home Care Program for Elders. According to the Governor's Budget, approximately 15,000 clients receive services based on their financial eligibility and functional impairments under state funded and Medicaid waiver portions of the CT Home Care Program. As of December 2008, approximately 36% of the participants, or an estimated 5,400 seniors, are receiving services under the state funded component. The state funded portion of the Connecticut Home Care Program helps very vulnerable Connecticut seniors receive basic care at home (including visiting nurse services, home health aides, chore assistance, homemakers, adult day care, home delivered meals, companion services, respite care, transportation, and emergency response systems) – and prevents or delays the need for expensive nursing homes, resulting in cost savings to both the state and the taxpayer in the long-run.

The Governor has recommended capping this program, so there will be no additional funding. This decision comes at the same time that there is swelling need for long-term care services because of Connecticut's aging population. Flat funding for the program during a time of increased need means that the program will operate under a waiting list for the first time since 1997! Seniors unable to get services under the state funded program will be denied relatively low-cost care in the community, and instead be at greater risk of needing Medicaid or even costly nursing home care. That's because a senior, who cannot get services under the state funded portion, would need to lower their asset and income levels and meet a higher level of physical impairment before they qualify for services under the Medicaid portion of the Connecticut Home Care Program. This, in turn, makes it much more difficult for them to remain independent in the community. Again you rejected capping the state-funded Home Care Program for Elders in the recent deficit mitigation plan for SFY 2009. Please continue to do so as a budget gets adopted for FY 10 & 11.

AARP also is concerned about provisions in SB 843 that would delay implementation of Money Follows the Person legislation adopted in 2008. We believe this threatens to erode Connecticut's efforts to rebalance our long-term care system. The Governor's budget would delay the establishment of the legislatively-mandated Long Term Care Trust fund, which was to be funded through the enhanced federal match on Money Follows the Person. The Long Term Care Trust Fund is necessary to build Connecticut's long term care infrastructure and give people more options to age in place in their own homes and communities. In addition, the Governor recommends delaying Money Follows the Person II, a demonstration project passed by the General Assembly in 2008 to allow people who have not been institutionalized for 6 months to access home and community based services without first entering a nursing home.

We also are very concerned about provisions to shift all of the funding for the Centers for Independent Living to federal funding and a portion of the funding for the LTC Ombudsman Program to federal funding as well! We urge you to ensure that these vital programs have sufficient resources to support people in remaining independent in the community and to protect them when they received long term care in a nursing or assisted living facility.

Connecticut already ranks near the bottom of states when looking at the percentage of Medicaid dollars spent on home and community based services. AARP's recent Public Policy Report, "A Balancing Act, State Long-Term Care Reform" ranks Connecticut #42 out of 50 states with regard to the percentage of 2006 Medicaid expenditures going to Home and Community Based Services for older people and adults with physical disabilities. The University of CT's Long Term Care Needs Assessment found similar results ranking Connecticut #34 in 2007 (down ten spots from Connecticut's ranking in 2005 by UConn). Today, AARP will be releasing another report with information on how states, including Connecticut, are doing rebalancing their long term care systems. Shortly we will be sharing this additional information with you and ask that you consider it as you develop plans to address Connecticut's large and growing fiscal deficit.

Thank you for Opposing Barriers to Health Care Assess! Please sustain these decisions as you work to adopt a budget for FY 10-11!

AARP is concerned with portions of the Governor's plan that restrict access to health care services including changes to Medicaid and HUSKY cost sharing, changes in the medical necessity definition, reduction in dental care, eliminating state-funded non-emergency medical care for non-citizens and eliminating medical interpreting services. These recommendations will add significant barriers to health care access to our most vulnerable populations. Now is not the time to add barriers or restrict access to necessary health care services to Connecticut residents. AARP opposes any efforts to rollback progress we have made in the last few years to expand health care quality and access.

Please oppose HB 6524, An Act Concerning Managed Care for Certain Medicaid Beneficiaries!

AARP is very concerned about HB 6524 that would require the Commissioner of DSS to develop a plan to enroll Medicaid beneficiaries who are aged, blind or disabled in managed care. The aged, blind and disabled are among the most vulnerable people in Connecticut. We need to proceed very cautiously in moving them involuntarily to a managed care system that may be unable to meet their diverse and complex needs. We are very concerned that HB 6524 calls for a cost-benefit analysis but does not require an analysis of how quality of care will be improved and how the needs of vulnerable people will be protected under such a system. While DSS would be required to submit this plan to the Human Services Committee by 1/1/2010, it does not appear that the Human Services Committee would have any way to offer meaningful input or to reject the plan if it does not appear to be in the best interest of the aged, blind and disabled Medicaid beneficiaries and/or the State of Connecticut. We also do not see a process for other stakeholders & consumers to be included in the planning of such a major change in the way that health care is delivered to this very high risk group of people. AARP believes that much more inclusive planning, careful review, approval and oversight should be required when changes to health care systems for Connecticut's most vulnerable citizens are being contemplated. We ask you to oppose HB 6524

Conclusion

Connecticut has seen how artificial cost savings in the short term often jeopardize the health and quality of life for our most vulnerable citizens, and also result in greater cost to the state over time. Many of the proposed cuts that I discussed today have been tried before and were later reversed because they hurt vulnerable people and did not result in real cost savings.

AARP understands the need to make budget adjustments during these difficult times and we recognize and respect the difficult decisions that the General Assembly and the Governor will need to make. Again, we thank you for not including most of the cuts that I discussed today in the SFY 09 deficit mitigation plan recently adopted. We ask that you sustain these decisions moving forward. AARP is committed to working in a bipartisan fashion to find ways to address CT's budget crisis while minimizing the budget's impact on health care coverage and long-term care services for Connecticut's most vulnerable residents!