C4A

Connecticut Association of Area Agencies on Aging, Inc.

Testimony – Human Services Committee 3/3/09

Kate McEvoy, Deputy Director
Agency on Aging of South Central CT, (203) 785-8533

Positions

- **Governor's Bill No. 6365 – An Act Concerning the State Budget for the Biennium Ending June 30, 2011 and Governor's Bill 843, An Act Implementing the Governor's Budget Recommendations Concerning Social Services**

C4A **opposes** various of the Governor's proposals to reduce appropriations for core, preventative home and community-based long-term care services that permit older adults and individuals with disabilities to live independently in the community and that achieve dramatic cost savings to the State in preventing institutionalization. Related, C4A respectfully **urges** the Human Services Committee to support continued investment in programs that promote rational and effective use of public and private long-term care resources.

Information and Assistance for Older Adults and Individuals with Disabilities

- C4A **opposes** the proposal to eliminate funding for the Connecticut Centers for Independent Living (CIL's).

- C4A **respectfully urges** the Appropriations Committee to renew state funding for the **CHOICES program** in the amount of $1 million.

Home and Community-Based Long-Term Care Services

- C4A **opposes** the proposal to cut overall funding for the Connecticut Home Care Program for Elders and to restrict participation in the state-funded levels of the program to the caseload in place as of June, 2009 (**Section 54 of Governor's Bill 843**).

- C4A **respectfully urges** the Human Services Committee to appropriate renewal funding for the **Connecticut Home Care Program for the Disabled** and to appropriate funding sufficient to address the wait lists for the **Acquired Brain Injury** and **Personal Care Assistant** waivers.

- C4A **respectfully urges** the Human Services Committee to support increases in **reimbursement rates** to all long-term care providers.

State Prescription Drug Coverage

- C4A **opposes** the proposal to drastically restrict participation in the ConnPACE program through more stringent eligibility criteria and increased cost sharing.

- C4A **opposes** the proposal to eliminate various elements of the state prescription drug "wrap-around" protection for enrollees of Medicare Part D, including:

  - discontinuation of state coverage for dually-eligible individuals of non-formulary drugs (**Section 66 of Governor's Bill 843**);

  - capping of state coverage of Part D co-payments (in 2009, these range from $1.10 to $6.00 per prescription), with the result that dually-eligible individuals will be expected to pay up to $20 per month in co-payments (see **Section 15 of Governor's Bill 843**); and

  - requiring dually-eligible individuals and other ConnPACE participants to enroll in a "benchmark" Medicare D plan (eliminating DSS subsidy of higher cost Part D plans) (see **Sections 13 and 65 of Governor's Bill 843**).

- C4A **opposes** other proposals to impose cost-sharing on low-income participants of the Medicaid program.

Background

Information and Assistance to Older Adults and Individuals with Disabilities

Older adults and individuals with disabilities need information to help them make informed choices about long-term care. Without assistance, many find the system to be complex and confusing. Connecticut's Program for Health Insurance Assistance, Outreach, Information & Assistance, Counseling & Eligibility Screening (CHOICES), a partnership among DSS, the Connecticut Agencies on Aging, the Center for Medicare Advocacy, and diverse community partners, has been identified as a focal point for information & referral. Further, the Agencies on Aging have developed partnerships with the Connecticut Centers for Independent Living to 1) build on CHOICES and to lay plans for implementing Aging and Disability Resource Centers (ADRC's) in all regions of the state; and 2) work collaboratively in making effective transitions under the Money Follows the Person (MFP) program.

Connecticut's Health Insurance Assistance, Outreach, Information and Referral, Counseling and Eligibility Screening Program (CHOICES) is a collaborative effort among the Connecticut Area Agencies on Aging, the Department of Social Services Aging, Community and Social Work Division, the Center for Medicare Advocacy, and numerous community partners, including senior centers.

CHOICES provides health insurance counseling, information & assistance and benefits screening to older adults, those with disabilities, and caregivers. This service helps people to understand and plan for their long-term care needs. CHOICES provides a sound platform on which to build ADRC's.

In 2008 alone, CHOICES:

- made **36,886** contacts with individuals and caregivers to provide information and referral on Medicare, Medicaid, financial assistance, benefits, housing, adult day care and services for people with disabilities
- staffed **18** enrollment events at which countless people were screened for and connected with the Medicare Low-Income Subsidy benefit
- counseled over **5,500** individuals on the federal Medicaid Savings Programs (QMB, SLMB, QI)
- sponsored **364** outreach presentations
- provided meaningful volunteer opportunities to **371** trained counselors
- provided expert training to social services professionals to help them keep current
- used radio, cable television, billboards, local newspapers and expert materials from the Center for Medicare Advocacy and other sources to educate the public

Why should legislators continue to fund CHOICES?

- **It saves money for the State of Connecticut!** If consumers understand how to make more rational long-term care choices, they will:
  - access all available federally-funded benefits including the Medicare D Low-Income Subsidy and the Medicaid Savings Programs (QMB, SLMB, QI)
  - use their own funds more rationally
  - be less likely to need Medicaid-funded care in an institution

- **It's vital to Connecticut's efforts to "re-balance" long-term care spending.** Education of consumers regarding financial planning, the limited scope of public benefits, and available home and community-based options will be a key component of Connecticut's efforts to rationalize and rebalance its long-term care spending.

- **Consumers need streamlined access to information.** The recently released Connecticut Long-Term Care Needs Assessment endorsed creation of a statewide Single-Point of Entry (SPE) or No Wrong Door (NWD) Long-term Care

Information and Referral program in Connecticut that would serve individuals across all ages and disabilities.

In 2008, federal funding for a new pilot project entitled Choices at Home that was awarded to DSS has permitted DSS, the Agency on Aging of South Central Connecticut and the Center for Disability Rights (West Haven) to collaborate in developing the first Aging and Disability Resource Center (ADRC) in Connecticut, which is serving the south central region. Another such grant will, in the spring of 2009, permit the Western Connecticut Agency on Aging and Northwest Center for Independent Living to open an ADRC in Western Connecticut. This effort reflects a larger scale initiative among Agencies on Aging (AAA's) and Centers for Independent Living (CIL's) to use the regional emphasis and subject matter expertise of both networks to accomplish the goals of implementing ADRC's in all regions of the state and to make effective transitions under the Money Follows the Person Program.

Home and Community-Based Long-Term Care Services

Home and community-based care is often principally described in terms of its cost efficacy. Missing from this analysis, however important, is reference to its human value to older adults and individuals with disabilities. Surveys and anecdotal data show that consumers overwhelmingly prefer to receive needed services at home in the community. Through these services, an individual can 1) preserve the right to live as s/he chooses; 2) assist to the extent of ability in planning the course of his/her care; 3) retain immediate contact with loved ones; and 4) safeguard both health and dignity.

Diverse groups including the State of Connecticut Long-Term Care Planning Committee, the Nursing Home Transitions Work Group, and research institutions have emphasized the many benefits of community-based care. Ongoing efforts to shift both state policy priority and expenditure of Medicaid dollars to care at home reflect these commitments. Ironically however, promotion of these services to meet growing levels of need has put the capacity of the home care industry in Connecticut into sharp relief. Key sources of support for home and community-based services include:

- **Connecticut Home Care Program for Elders:** In 2008, the Connecticut Home Care Program for Elders (CHCPE) has an active client population of over 15,000 individuals, more than 10,000 of whom received services through the Medicaid Waiver. In the CHCPE Annual Report to the Legislature for SFY 2007, the Department of Social Services documented **cost savings to the State in that program year of $91,510,543**. Breaking out this figure, average monthly costs per client in 2007 were as follows: Waiver clients: $1,572; State funded clients: $909. In 2007, this compared with an average monthly Medicaid nursing home cost of $5,338. State support has ensured that eligible individuals can access the CHCPE on a rolling basis and that there is no wait list.

- **Additional Connecticut Medicaid Waivers:** Younger individuals with disabilities have relied on the following waivers to receive needed services:

    - the **Acquired Brain Injury Waiver**, which provides care management and supportive services to individuals with that diagnosis;

- the **Department of Developmental Services (DDS) Comprehensive Supports** and **Individual and Family Supports Waivers,** which assist individuals who have been assessed as having mental retardation with care management and an extensive menu of services; and

- the **Personal Care Assistance Waiver**, which enables individuals who have chronic, severe, permanent disabilities to hire their own assistants for such tasks as bathing and dressing.

- **Connecticut Home Care Program for Disabled Adults:** The Connecticut Home Care Program for Disabled (CHCPDA), a state-funded pilot program, provides services based upon the Connecticut Home Care Program model to up to 50 individuals, age 18-64, who have been diagnosed with a neurodegenerative disease. This is currently the only initiative in Connecticut that provides such services to individuals under the age of 65, and is a significant factor in preventing unnecessary institutionalization. Without renewal of funding, this program will not be able to continue.

Just as important as having sufficient capacity in the above programs is the adequacy of reimbursement to providers of home and community-based long-term care. Data from professional groups including the Connecticut Home Care Association and the Connecticut Association for Adult Day Care indicate that Medicaid reimbursement rates to providers of home and community-based services have not kept pace with increased costs of doing business (e.g. staff recruitment and retention, insurance and quality assurance/ regulatory compliance efforts). Inadequacy of reimbursement has directly contributed to closure of many home care agencies and adult day care centers over the last five years, just when expansion of the available service array is most needed by both older adults and individuals with disabilities. C4A strongly supports measures intended to increase reimbursement rates to its partners in the network.

Prescription Drug Coverage

Connecticut should maintain its long-time commitment to older adults, individuals with disabilities and other low-income people by resisting proposals to make extreme cuts in coverage for prescription drugs, including stringent new income and asset eligibility guidelines for ConnPACE, imposition of cost-sharing requirements on those least able to bear these costs, coverage restrictions and reduction of Connecticut's "wrap-around" coverage to the Medicare Part D prescription drug benefit.

ConnPACE has for years represented an essential long-term care benefit for low-income individuals. Further, Connecticut has established valuable "wrap-around" coverage to the Medicare Part D prescription drug benefit, which became effective January 1, 2006, for those who receive pharmacy benefits under the ConnPACE and Medicaid programs.

For participants of ConnPACE, the State covers Medicare Part D monthly premiums, formulary drugs needed during the "gap" period under the federal coverage, and most prescription drug costs (co-payments and deductible requirements) over the standard $16.25 co-payment. Additionally, the Legislature provided those who are dually-eligible for Medicare and Medicaid with coverage of the $1-$5 co-payments that they would otherwise have been obligated to pay. Finally, for both ConnPACE and Medicaid

recipients, the Legislature in 2006 appropriated $5 million to provide initial coverage for non-formulary drugs.

Both older adults and individuals with disabilities will be adversely affected by failure to protect low-income individuals who rely on state-funded pharmacy assistance. As a financial frame of reference, an individual applying for "community" Medicaid in most parts of Connecticut must show a monthly income of less than $506.22 per month ($672.10 for a couple). Given their low incomes, Medicaid recipients do not have sufficient income or savings through which they can bear cost-sharing for the services that they receive. Already burdened with significant out-of-pocket expenses, including over-the-counter medical supplies, utilities and food, recipients erode what little they have to live on each time a co-payment is made. The Legislature should reaffirm its commitment to protecting this population from co-payments, which leave those affected exposed to unacceptable barriers to accessing drugs that are desperately needed to enable them to remain safe and stable in the community.

Over and above issues of cost, full coverage of needed drugs is also a critical issue. Due to frailty and compromised health status, this population is heavily dependent on pharmacy coverage. Older Medicaid recipients are predominantly female, widowed and likely to live at home alone. Recipients evidence high incidence of chronic health conditions including congestive heart failure, hypertension, and diabetes that necessitate an evolving array of complementary medications. A significant incidence of clients must also contend with the debilitating effects of Alzheimer's or other dementia. Younger individuals with disabilities face parallel financial and physical constraints as they also subsist on fixed income budgets and require multiple medications to remain physically and psychiatrically stable. For all of these reasons, proposals to restrict coverage and to impose prior authorization requirements on additional classes of drugs are of great concern.