



**TESTIMONY FOR SUPPORT OF
S.B. No. 233, An Act Concerning the Discharge of Patients for
Nonpayment of Applied Income
To the Select Committee on Aging**

Martha G. Dale
Executive Director, Leeway

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Good morning Distinguished Members of the Select Committee on Aging

I am Martha Dale, the Executive Director of Leeway, Connecticut's multi-service provider to persons with HIV/AIDS. We are Connecticut's first and only sub-acute facility dedicated solely to the care of people with HIV/AIDS and now developer and provider of supportive housing for this population. I would like to present testimony in support of S.B. No. 233, An Act Concerning the Discharge of Patients for Nonpayment of Applied Income.

Our non-profit organization encounters a problem when residents of our 40-bed skilled nursing facility refuse to turn over the portion of their Social Security Disability Income (SSDI) checks that are earmarked for room and board. SSDI checks are issued directly to recipients except where court-ordered conservatorships have been set up. If recipients are residents of skilled nursing care facilities and if the Department of Social Services has determined that the resident has monthly income available to pay for a portion of his or her care, then that resident is required to pay the predetermined "Applied Income" to the facility directly and in turn, the government reduces Medicaid payments to the facility accordingly. It is the facility's responsibility to collect this AI amount.

But there's no effective way to enforce this obligation, and for those residents who refuse to convey the funds, Leeway is left literally holding the bag because the state funding agencies refuse to reimburse Leeway for their inability to capture these funds. During the course of a year, approximately 25% of Leeway residents present this problem. The failure of the facility to capture the AI from residents amounts to as much

as \$50,000 in uncompensated care annually. The long term consequences of nonpayment of AI can amount to hundreds of thousands of dollars in a decade and ultimately affects the long-term viability of our organization to provide specialized short and long term care to persons living with HIV/AIDS.

Leeway staff work with residents to set up a system whereby a resident's monthly Social Security payment is deposited directly with Leeway from the Social Security Administration or the resident remits their required AI amount within the regular billing period. However, in many instances the resident is unwilling to set up such a plan and the Social Security funds are received by parties outside the facility or kept by the resident, never being turned over to the facility to pay for their portion of their care as required by law. Other residents in the facility are often aware of those who fail to follow Leeway rules about AI remittance and this creates a perceptible tension within our resident community.

S.B. 233 is a specifically proposed and crafted to include Medicaid residents in that population those facilities can move to discharge for non-payment of the Applied Income amount. Under this expanded provision, facilities will notify a resident or family members/friends of the resident (oftentimes the very parties who are receiving the Social Security and other income that should be remitted to the facility as Applied Income), that if the payments are not received, the facility will move to discharge the resident. Residents have several protections already established in regulations, including notice of the discharge, an opportunity to appeal the discharge, and a right to help in discharge planning, meaning that residents are ensured a safe discharge. The ability to lawfully indicate that discharge is a real prospect in a situation where a resident fails to remit payments that they are legally required to pay to the facility can be a powerful tool in bringing residents and their families into compliance with the law.

Please support S.B. 233 for its ability to ensure the long term viability of not just Leeway, a specialized sub-acute care provider with nearly 98% of its beds occupied by persons whose care is paid by the Medicaid program, a substantial proportion of which also have a responsibility to pay their portion of the care costs. Thank you very much. I am happy to answer your questions.