

March 11, 2010

Testimony of Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities before the Human Services Committee

Good morning Senator Doyle, Representative Walker and to the members of the Human Services Committee. My name is Matthew Barrett and I am Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), our state's 110 member trade association of proprietary and nonprofit nursing homes. I am pleased to have this opportunity to testify on several bill's on today's public hearing agenda.

S. B. No. 369 (RAISED) AN ACT CONCERNING THE ENFORCEMENT OF SURETY CONTRACTS BY NURSING HOMES.

CAHCF is opposed to SB 369. This legislation appears intended to weaken the existing responsibilities of family members and legal representatives in the long term care Medicaid application process. The consequences of lowering these expectations will be very harmful to Connecticut nursing homes.

Almost all nursing home bad debts result from the failure of a family member or the resident's legal representative to apply and obtain approval for Medicaid assistance in a timely manner or when property or money has been given away by the resident. Nursing homes are at the mercy of the family member or legal representative to take the appropriate steps to obtain Medicaid assistance. The nursing home simply does not, and could not possibly, have access to the extensive, detailed personal financial information required to complete an application for Medicaid assistance.

Other bad debts occur when the resident has given away money or property during the five-year look back period and is therefore ineligible for Medicaid assistance for a period of time, triggering a transfer of assets penalty period.

Nursing home bad debts caused by failure to file or incomplete Medicaid applications and transfers of assets cost Connecticut providers hundreds of thousands, if not millions of dollars every year. These harmful losses are avoidable with the cooperation of a family member or resident's legal representative. There is no doubt that this situation will worsen significantly if this bill were to pass.

S. B. No. 370 (RAISED) AN ACT CONCERNING MEDICAID LONG-TERM CARE COVERAGE FOR MARRIED COUPLES.

As we understand the effect of this legislation, a portion of the Medicaid recipient's income, now available to help offset the cost of nursing home care, will be diverted in

greater amounts to spouses who reside in the community. While this may be permitted under federal law, it wrongly shifts a greater percentage of the cost of expensive nursing home care to the government. For this reason, we are opposed to Section 1 of the bill.

Under current law, the spouse in the community currently can retain the house and assets up to approximately \$110,000. In addition, if the community spouse needs more than his/her income to live on, the nursing home spouse's income is diverted to the community spouse and Medicaid pays the difference in payments to the nursing home. These are generous amounts and serve to implement a policy which allows a spouse to remain in the community when the other spouse becomes in need nursing home care.

However, increasing amounts paid to the community spouse under more liberalized rules as proposed here, will increase the pressure on the Medicaid budget at a time when the nursing home Medicaid system considerably underfunds resident care to nursing homes.

H. B. No. 5398 (RAISED) AN ACT CONCERNING A PILOT PROGRAM TO TRANSFER HOSPITAL PATIENTS WHO RECEIVE MEDICAID BENEFITS TO NURSING HOMES IN A TIMELY MANNER.

Finally, I am pleased to lend our association's support to the pilot concept put forward in HB 5398. This is a very important concept to explore and one that has a very great potential to incent skilled-nursing facilities to accept inpatient Medicaid patients with complex health needs and avoid unnecessary and prolonged hospital stays. Moreover, in this model, the patients will be cared for in the most appropriate setting to meet their healthcare needs. We urge your support.

I would be happy to answer any questions you may have.