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**Testimony of
Elder Law Section
Connecticut Bar Association**

In Support of

**SB 370
An Act Concerning Medicaid Long-term Care Coverage For Married Couples
Human Services Committee
March 11, 2010**

Section 1.

Community Protected Spouse Amount

Background: Currently, when a married person is applying for Medicaid to pay for long term care, his/her spouse in the community is allotted a portion of the couple's assets: the maximum amount is \$109,560, with a minimum amount of \$21,912.00. This is known as the community spouse protected amount. The amount the community spouse is able to keep is determined by allotting one-half, but no more than the maximum and no less than the minimum amounts.

Example: A couple with only \$50,000 would have to spend down assets to \$25,000.00 for the community spouse and \$1,600.00 for the ill spouse, falling far short of meeting the needs of the community spouse. Often the community spouse spends down on items not really needed as much as the money is needed, such as a new car, new appliances, and the like. Under the proposal, the couple could keep the entire \$50,000.00 for the needs of the well spouse. In these instances where the couple has less than the maximum \$109,560.00 allotment, the Department of Social Services would also save administrative costs, by not having to determine a particular share for the well spouse and monitoring a spend down.

Importance of this issue: This bill would help the community spouse stay in the community and avoid impoverishment. There is no additional cost to the State of Connecticut for this change and this change should actually allow streamlining the process for the Department of Social Services.

Section 2.

Loan proceeds exempt

Background: In proposed Medicaid regulations issued by the Department of Social Services in April 2007, D.S.S. eliminated a previous provision that excluded as a countable asset the proceeds of loans that were kept separate from other assets. In negotiations between advocates and D.S.S. concerning these regulations in recent months, D.S.S. has stated its willingness to continue to exclude proceeds of loans, but has indicated that we advocates should seek state legislation to secure this change, so that D.S.S. would be required to submit a state Medicaid plan amendment to the federal agency making this change. (D.S.S. believes it needs federal agency authority to continue to exclude loan proceeds.)

Importance of this issue: The prior policy excluding loans allowed individuals receiving home care services and married couples to borrow money or obtain an equity loan from their home as a way of supplementing their own income and assets to pay for such items as real estate taxes, homeowners insurance, home repairs, and sufficient services to live in their own home in the community and still be eligible to receive Medicaid benefits.

The elimination of this prior policy was a disincentive to individuals who wanted to stay home but could only afford to do so by obtaining a loan to supplement their income and assets to pay for adequate services and expenses. As a consequence of the elimination of this policy, individuals in need of long term care services will be forced out of their homes to enter nursing facilities prematurely at significantly greater expense to the State of Connecticut.

We are seeking a modification on line 13 of this bill: “income and assets.”*

***the proposed addition is underlined.**