



**Testimony of Brenda Kelley,  
AARP Connecticut State Director on the Department of Social Services' Budget  
Appropriations Committee  
February 11, 2010**

Good evening Chairman Geragosian, Chairwoman Harp, ranking members Miner and Debicella, and members of the Appropriations Committee. My name is Brenda Kelley and I am the State Director for AARP Connecticut. AARP is a nonprofit, non-partisan membership organization that serves people 50 and older. We have approximately 40 million members nationwide and over 600,000 in Connecticut.

First, let me commend members of this Committee and leaders in the House and Senate for taking a balanced approach to our continuing budget crisis. Thank you for not losing sight of the people behind the budget numbers. Working within tight budget constraints, you passed a budget that, for the most part, protected our most vulnerable residents, when they needed help the most. This year, I ask each of you to again bring your spirit, your compassion, and your ideas to the table as we work through another difficult budget cycle.

AARP is encouraged by what seems like possible bi-partisan agreement on several of the Governor's economic proposals for job creation, and we are hopeful that our leaders will continue to work together to find bi-partisan solutions to our state's most pressing problems. However, AARP has concerns about several of Governor Rell's budget recommendations. We are especially concerned with the Governor's proposals that cut health, long-term care and supportive services. We believe these cuts will limit the independence, dignity and quality of life of older adults in the state and cost Connecticut more in the long run.

AARP will vigorously protect vulnerable populations and the essential safety net programs that older people depend on to maintain independence, choice and control in ways that are beneficial and affordable for them and for society as a whole. AARP believes that all residents with disabilities or functional limitations should have the services and supports they need, in the setting they choose, and control decisions about those services, so they can live as independently as possible. With this goal in mind, AARP opposes cuts to the Connecticut Home Care Program for Elders and the Alzheimer's Respite Care Program. We also oppose the imposition of new cost-sharing requirements for Medicaid.

**AARP Opposes the Governor's \$10.7 Million Cut to the  
Connecticut Home Care Program for Elders**

Eighty-nine percent of Americans age 50+ want to stay in their homes as long as they can, and the cost of receiving care at home is about one third the cost of a nursing facility. Yet, despite strong consumer preference to live in the community, the Governor has proposed several cuts that make it harder for individuals to receive long-term care services in their homes and communities. Specifically, Governor Rell proposed a \$10.7 million cut in the state-funded

portion of the Connecticut Home Care Program for Elders. The state-funded program helps frail seniors receive basic care at home including care management, adult day health services, companion services, home delivered meals, homemaker services, and personal care attendants. These services allow seniors to remain in their own homes, living independently in the community.

Governor Rell's proposed budget adjustments would continue the burdensome 15% co-payment on approximately 4,940 state-funded elders. The cost-share, estimated at \$152 per month on average, creates a significant barrier to an individual's choice to receive home health services in the community. Sixty percent of state-funded elders live alone and have average incomes of \$1,390 per month; the average amount of total assets for individuals on the state-funded program is \$10,147.1 For these individuals, a 15% cost share makes the difference between staying at home, or entering a nursing facility. Over 200 individuals on the state-funded program have already been forced to drop off the program because they cannot afford the cost-share.

We know that the current fiscal crisis is causing most states to make deep budget cuts in home and community based services (HCBS), but cuts in HCBS are misguided and potentially more costly in the long-term. Recent evidence indicates that expanding HCBS can be cost-effective; states that shift away from institutional care can serve more individuals with available dollars. On average, the state can serve three people in the community for every one person in an institution. Promoting HCBS has the dual benefit of not only slowing the growth in Medicaid LTC spending but also improving consumer choices.

Given the cost savings and consumer preference for home and community based long-term care, AARP urges the legislature to reject the Governor's proposed \$10.7 million cut to the state-funded Connecticut Home Care Program for Elders and eliminate the co-pay added last year.

### **AARP Opposes the Governor's \$1 Million Cut to the Alzheimer's Respite Care Program**

Individuals that receive basic personal care from family caregivers are less likely to enter a nursing home. In 2007, about 34 million family caregivers provided care at any given point in time, and about 52 million provided care at some time during the year. The estimated economic value of their unpaid contributions was approximately \$375 billion in 2007. The economic value of caregiving exceeds total Medicaid long-term care spending in all states, and is more than three times as high in 36 states.<sup>2</sup>

While millions of family caregivers provide care to loved ones, doing so can also mean health, emotional, and financial challenges for the caregivers themselves. Family caregivers commonly say that they have trouble finding time for themselves, managing emotional and physical stress, and balancing work and family responsibilities. According to a comprehensive new caregiver study released (*Caregiving in the U.S. 2009*) by the MetLife Foundation and the National Alliance for Caregiving, in conjunction with AARP, one in six caregivers in the U.S. (17%) report that caregiving has had a negative impact on their health. The study also found that the

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<sup>1</sup> DSS Data Specification for Access Agency Files Fiscal Year 2009.

<sup>2</sup> Mary Jo Gibson, *Valuing the Invaluable: A New Look at the Economic Value of Family Caregiving*, AARP Public Policy Institute (June 25, 2007).

number of caregivers utilizing respite care has more than doubled since 2004 (from 5% to 12%). Reducing key stresses on caregivers, such as physical strain and financial hardship, can reduce nursing home entry, as well as reduce medical costs for the caregivers themselves.

In Connecticut, there are more than 370,000 residents providing family care-giving to a loved one at home, with an economic value of about \$4.9 billion. Connecticut's Alzheimer's Respite Care Program offers up to a maximum of \$3,500 in services to each eligible applicant, and a maximum of 30 days of out of home respite care service. The program is for people not eligible for the CT Homecare Program for Elders because they have slightly higher income and assets. By relieving caregiver stress and providing a much-needed break, the Alzheimer's Respite Care Program delays nursing home placement for individuals with Alzheimer's disease and saves the state Medicaid dollars.

In 2009, the Alzheimer's Respite Care Program was closed to new recipients as a result of budget constraints, and 400 people are currently waiting for respite services. Given the significant strains on family caregivers and the increased need for informal supports, AARP opposes cuts to the Alzheimer's Respite Care Program and asks that the program be reopened.

### **AARP Opposes New Cost-Sharing Requirements for Medicaid**

Asking our most vulnerable residents to pay a new cost-share for Medicaid, will jeopardize health care outcomes for Medicaid beneficiaries and cost the state more in the long-term. In January, the New England Journal of Medicine published a study documenting the affect of higher co-pays on Medicare patients. The study shows that even a small increase of just a few dollars, is counterproductive in containing costs. Cost-sharing results in fewer doctor visits, skipped medications and increased hospital stays, often requiring more costly care; "For every 100 people enrolled in plans that raised co-pays, there were 20 fewer doctor visits, 2 additional hospital admissions and 13 more days spent in the hospital in the year after the increase compared to those in plans whose co-pays did not change."<sup>3</sup>

As people on Medicaid are lower income than those on Medicare, the impact of co-pays is even greater. The Medicaid co-pay may raise revenue in the short-term, but will likely increase total health care expenditures over time and lead to poorer health outcomes for patients. AARP asks members of this Committee to reject the Governor's proposal to add a Medicaid co-pay.

### **Conclusion**

Taken together, these and other proposals that others will address this evening, will severely restrict access to services that allow people to live independently in the community and avoid costly institutional care, and will force thousands of state residents to forgo the necessary preventive medical services they need to stay healthy. We understand that the state budget is in crisis, but that should not mean cutting vital services for people in need, especially when those services actually save the state money.

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<sup>3</sup> Alicia Chang, *Increased patient cost-sharing may hurt elderly*, Boston Globe, January 27, 2010.

AARP urges members of this Committee to look at these cuts in the aggregate. A small benefit cut or new co-pay may not seem overly burdensome in isolation, but when combined with previous cuts already included in the 2010/2011 State Budget, the cumulative effects are devastating. Scores of older adults and low-income residents will feel the effects of the Governor's cuts many times over, because the overlapping eligibility of these programs means that an individual who is receiving assistance from one of these programs is likely to depend on several other public assistance programs as well.

Cuts and program changes also have created anxiety, especially among older residents, who are concerned that the programs they depend on will suddenly disappear. These changes are confusing and scary. AARP has received a record number of calls from our members and their families asking about program changes and public assistance eligibility. In some cases, even the good news of a program expansion—like the new ConnPACE Plus program or federal food assistance expansion (SNAP)—can create anxiety among seniors, who at first, think that the change is yet another benefits cut.

As the state continues to grapple with declining revenues, I ask you to please remember that these cuts are not about programs, they are about people. AARP urges you to reject the Governor's devastating cuts to the Connecticut Home Care Program for Elders and the Alzheimer's Respite Care Program and reject her recommendation to add a Medicaid copay. Thank you.