



**Testimony of Lance Q. Johnson,
S.B. 297
AARP Volunteer Leader on Health and Supportive Services
Human Services Committee
March 8, 2011**

On behalf of AARP's nearly 600,000 Connecticut members, we thank you for holding this important hearing today on home and community-based care and expanded long-term care options outlined in S.B. 297. My name is Lance Q. Johnson and I am AARP's volunteer leader for health and supportive services. AARP believes that older adults and individuals with disabilities or other needs for long-term assistance should have the services and supports they need, live in the homes and communities they choose, and control decisions about services that enable them to live as independently as possible.

S.B. 297 helps accomplish this goal by breaking down the institutional bias in Medicaid. It establishes a state plan amendment that extends home and community based services to individuals based on their financial eligibility and their functional need. Individuals would no longer need to worry about fitting into a silo or category to get the care they want. Individuals would have true consumer choice that allows them to live life to the fullest.

If individuals are eligible for financial support from the state, they should not be forced to have to accept the most restrictive and costly option. This is not fair to the person and it is not cost effective for the state. Among individuals age fifty and older, 89 percent say they want to remain in their home for as long as possible. And, on average, the state can provide home and community-based care for three people at the cost of serving one person in a nursing facility.

Yet Medicaid, the largest payer of long-term care, has an institutional bias—individuals who meet specific eligibility criteria are entitled to care in a nursing home, but not necessarily to home and community based services (HCBS). HCBS is optional; states must seek waivers to provide home and community-based services under Medicaid. This leads to a fragmented system with unequal and confusing eligibility criteria that leave some individuals without any home care options at all. For example, people with physical disabilities that cannot self-direct, do not have access to a single home and community based waiver.

On the other hand, the rules are much simpler for nursing home care: if you need it and are eligible, you get it. In fact, if we do nothing, there is actually an incentive for individuals in a capped waiver to enter a nursing facility in order to qualify for Money Follows the Person and receive priority placement on a waiver for home and community-based services.

AARP supports the use of a 1915(i) state plan amendment to put home and community-based options on an equal footing with nursing facility care. One of the goals of this proposal is to

extend services, while not taking away services from any individual currently receiving care in the community. No population under a waiver consolidation should be granted more access to services at the expense of another population. We are pleased that the proposal outlined in S.B. 297 would keep intact current services for individuals receiving care in the community.

To help pay for the initial investment in home and community-based services, AARP strongly supports section 2 of the bill. This section instructs the Department of Social Services to participate in the State Balancing Incentive Payment Program (BIPP), a federal incentive program available under the Affordable Care Act that rewards states for expanding home and community-based care.

Connecticut's participation in BIPP would mean fewer state dollars for long-term care to serve more people because of the additional federal funding for the BIPP grant. As states increase support for home and community-based services, they will also be creating a stronger community-based service system for the future. This will help reduce state spending for the more expensive institutional care that accounts for the majority of long-term care spending. Using a conservative estimate with a status quo rate of growth, Connecticut would save approximately \$37 million for the period Oct. 1, 2011 to Sept. 30, 2015.

In addition, other federal grant programs, including Money Follows the Person, can be used to invest in critical infrastructure needs that are required to qualify for the BIPP grants. Moreover, since Governor Malloy has already made a commitment to: (1) move over 5,000 nursing facility residents out of nursing homes and into the community and (2) create an option for a 1915(i) state plan amendment to cover some of the seniors on Level 1 of the Connecticut Home Care program, Connecticut is making significant strides to achieve the rebalancing goals required under BIPP. Given that Connecticut has already made significant investments and commitments to the core BIPP requirements, it makes sense for Connecticut to participate in the program and receive the bonus FMAP payments available.

The public policy goals of S.B. 297 also fit nicely with Governor Malloy's effort to support nursing home "right-sizing." Under the Governor's proposal, we will be expanding community based services by incentivizing nursing homes to diversify their business model and offer more home and community-based services. However, many individuals will not be able to pay for these services if they cannot qualify for a home and community-based waiver or state plan amendment services.

S.B. 297 contains the blueprint for a rebalanced long-term care system that values true consumer choice. Under this legislation, individuals will live life fully, not simply receive care. AARP asks for this Committee's favorable review of S.B. 297.