

# alzheimer's association®

the compassion to care, the leadership to conquer

Committee on Aging  
Public Hearing  
Tuesday, March 6, 2012

Written Testimony of Laurie Julian, Director of Public Policy, Alzheimer's Association, CT Chapter (The Association).

Senator Prague, Representative Serra and distinguished members of the Committee on Aging, thank you for allowing me to submit testimony on several bills that are before you today on behalf of the Alzheimer's Association, CT Chapter.

The Alzheimer's Association is a donor supported, non-profit organization serving the needs of families, health care professionals and those individuals who are affected with Alzheimer's disease and related dementias. The Association provides information and resources, support groups, education and training, and a 24 hour, 7 day a week Helpline.

The Association supports SB. 282 *An Act Concerning the Return of a Gift to A Person in Need of Long-Term Care Services* and HB 5338 *An Act Concerning Medicaid Long-Term Care Coverage for Married Couples*:

## **SB. 282 An Act Concerning the Return of a Gift to A Person in Need of Long-Term Care Services**

The Association supports the intent of this bill to reduce the penalty period for the transfer of an asset if part of a gift has been returned. P.A. 11-44, Section 104, amending Conn. Gen. Stat. Section 17b-261a, states that only a full return of transferred assets will affect the penalty period. In other words, an institutionalized individual shall not be penalized for the transfer of an asset if the entire amount of the transferred asset is returned to the institutionalized individual. Conversely, the partial return of a transferred asset shall not result in a reduced penalty period.

The full return rule in the transfer of asset penalty replaces the long-standing partial return rule and eliminates the reduction in the waiting period caused by transfer of assets even though some of the gifts are returned. The result is that the waiting period is only modified when there is a full return of all the gifts, from each person who received them. The Association believes this will actually have the effect of reducing

private funds available to pay for long term care services. In other words, it appears to be a disincentive to return part of a gift if the length of the penalty is not shortened.

Furthermore, certain provisions of the "full return" rule are inconsistent with federal law and guidance from Centers for Medicare and Medicaid Services in eliminating private funds from meeting part of the cost of long term services. We understand the full return concept on return of assets was reviewed by the Regulations Review Committee of the Legislature on June 9, 2009, and referenced an internal LCO memo that DSS did not have apparent authority under federal law for the regulation and was out of compliance with the Centers for Medicare and Medicaid Services.

From the standpoint of the Alzheimer's Association, Connecticut Chapter, many of the situations involving transfer of assets involve individuals with dementia or other cognitive impairment and urge passage of SB 282.

### ***HB 5338 An Act Concerning Medicaid Long-Term Care Coverage for Married Couples***

Recognizing the high costs of long-term care, Federal Medicaid law provides certain financial protections for married couples, where one spouse is seeking Medicaid coverage of long-term care in a nursing facility or through home and community-based waiver services. These spousal impoverishment provisions, prescribe the amount of assets that the "community spouse" is entitled to retain when his or her spouse enters a nursing home and applies for Medicaid.

It is our understanding that Connecticut has adopted the most restrictive option, and only permits the community spouse to keep the lesser of one half of the couple's assets or \$113,641.00 and no less than \$22,728.00.

Alzheimer's disease or other dementias take a deep financial toll on spouses of individuals with the disease as most people survive an average of four to eight years after a diagnosis, but some live as long as 20 years. Only 4 percent of the general population will be admitted to a nursing home by age 80; but for people with Alzheimer's, 75 percent will end up in a nursing home by age 80. Therefore, The Association supports HB 5338 to allow the community spouse to keep the maximum community spouse protected amount.

Thank you for the opportunity to submit this testimony. Please feel free to contact me at [Laurie.julian@alz.org](mailto:Laurie.julian@alz.org), or (860) 828-2828.

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<sup>i</sup> Arrighi, HM; Newmann, PJ; Lieberburg, RJ. "Lethality of Alzheimer's disease and its impact on nursing home placement." *Alzheimer disease & Associated Disorders* 2010; 24 (1): 90-95.