



## Testimony to the Aging Committee

Submitted by Mag Morelli, President, LeadingAge Connecticut

March 6, 2012

In Support of  
**House Bill 5336, An Act Increasing Funding for Elderly Nutrition**

And

Regarding the Issues Raised by  
**Senate Bill 282, An Act Concerning the Return of a Gift to a Person in Need of Long-term Care Services**

LeadingAge Connecticut, a membership organization representing over 130 mission-driven and not-for-profit provider organizations serving older adults across the continuum of long term care. (LeadingAge Connecticut was formerly named the *Connecticut Association of Not-for-profit Providers for the Aging or CANPFA*.)

Our members are sponsored by religious, fraternal, community, and governmental organizations that are committed to providing quality care and services to their residents and clients. Our member organizations, many of which have served their communities for generations, are dedicated to expanding the world of possibilities for aging.

On behalf of LeadingAge Connecticut, I would like to submit the following testimony *in support of House Bill 5336, An Act Increasing Funding for Elderly Nutrition and regarding the issues raised by Senate Bill 282, An Act Concerning the Return of a Gift to a Person in Need of Long-term Care Services.*

### **House Bill 5336, An Act Increasing Funding for Elderly Nutrition**

Thank you for raising this important bill that acknowledges the need to increase funding for elderly nutrition programs. Funding for the nutrition programs has not increased for several years, but the costs associated with the delivery of congregate and home delivered meals have dramatically increased over that same period and the result has been a reduction in the ability to provide the same level of service to our elderly. It is critical that we restore and maintain an adequate level of service because affordable, nutritious meals for seniors are essential for their health and well-being. For many, the meal they receive at the

congregate meal sites or through home delivery is the only nutritious meal they can afford. That is why we strongly support an increase in funding.

Many of our housing members provide congregate meals. One such housing member in Fairfield County provides a dinner meal 7 days a week, 365 days a year for their residents. In the past, they have been fortunate to have a partial subsidy provided through a senior nutrition program that helps to cover a portion of the cost. They have recently been informed that their subsidy will be reduced by approximately \$12,000 per year. This will directly impact their housing residents who will see an increase of \$20 a month in their monthly fees. For many - this will place an extreme burden on them and may have an impact on their ability to afford their housing.

Helping people to stay in the community is a basic goal of our state's long term care plan and a strong elderly nutrition program is central to the success of that goal. We urge the Committee to support this proposal and to increase the funding for this vital community support for our elderly.

### **Senate Bill 282, An Act Concerning the Return of a Gift to a Person in Need of Long-term Care Services**

LeadingAge Connecticut supports the effort of Senate Bill 282 to alleviate the excessive financial burden that a resident's Medicaid penalty period places on a nursing home by allowing the partial return of a transfer asset to reduce the imposed penalty period. Medicaid penalty periods imposed on individuals residing in nursing homes create tremendous financial strain on the nursing home providers who are required to provide uncompensated care for these residents throughout their penalty periods. ***This issue must be addressed through a comprehensive look at strengthening our ability to recover transferred assets and encouraging the use of private resources to pay for long term care.***

### **The Unbalanced Burden of Uncompensated Care: Strengthen Recovery Efforts and Encourage Use of Private Resources Proposal**

The state's rebalancing and rightsizing efforts must recognize the current disproportionate financial burden that the nursing home bears within the continuum of long term care services. The nursing home is the only segment of the continuum that is required to provide unlimited periods of uncompensated care to pending Medicaid residents, resident who have inappropriately transferred assets, or residents who are withholding applied income payments. And Connecticut is one of only a few states that still have a waiting list law.

We cannot create a balanced system if only one segment of it bears the highest burdens. The strategic plan must address the current system's incentives to utilize the nursing home as the placement for individuals with no payment source and it must seek to provide opportunities for nursing homes to plan models of care that attract payer sources other than Medicaid.

We propose that the state take steps to ease the burden of uncompensated care in the nursing home by improving the eligibility process, strengthening recover efforts with regard to nursing home residents and modifying regulations that will promote the use of private resources to fund nursing home care rather than encouraging a reliance on Medicaid funding.

- Over the last two years, more and more nursing homes have reported instances of resident family members misappropriating resident social security and pension checks and **refusing to pay over this “applied income” to the facility** – even after Medicaid eligibility is granted with specific instructions to pay applied income. Sometimes nursing homes find that family members have misappropriated resident assets. In these cases, reports and referrals are made to law enforcement, but the facility has no recourse. Because nursing homes may not discharge residents who are Medicaid recipients, the facility must continue to care for the resident without getting paid in full for the services provided.
- The troublesome delays in processing Medicaid applications has resulted in applicants being deemed ineligible for several months due of the **delayed discovery of a single disqualifying asset** that triggered ineligibility month after month while the application sat pending at DSS. The nursing home is left uncompensated for those months of ineligibility.
- Similarly, now that the look back period is five years and the asset transfer penalties have become stricter, nursing homes shoulder a heavier burden of **uncompensated care during imposed penalty periods**. Most nursing home residents are not admitted to the facility as Medicaid recipients. The typical resident spends down whatever assets he or she had upon admission to pay for care before applying for Medicaid. If a determination is made that the resident inappropriately transferred assets and a penalty is imposed, then the resident remains in the facility with no source of payment. In these cases, it is impossible for the facility to discharge the resident as no other facility would accept a resident under these circumstances without a source of payment.
- Finally, Connecticut has some of the only **waiting list regulations** in the nation and they are designed to require that nursing homes admit residents who have qualified for Medicaid. While this is a laudable policy, it does not provide any incentive for prospective residents to maintain their private financial resources to pay for nursing home care.

We recommend the following additional proposals for the state:

- **Assist in the Collection of Misappropriated Resident “Applied Income” Funds**

- **Address the Issue of Missing or Intentionally Transferred Assets**
  - Rectify current Medicaid eligibility rules that require an ineligibility determination for a nursing home resident who cannot locate a missing asset, even though the resident otherwise meets eligibility criteria.
  - Rectify current Medicaid eligibility rules so a that a disqualifying asset discovered by DSS after a delay in processing an application cannot be used solely as a means of determining ineligibly for the time period of the delay.
  - Require DSS to adopt regulations to permit nursing facilities to receive financial relief, subject to certain conditions, if the facility must continue to care for a resident subject to a transfer of assets penalty period. Such financial relief will authorize DSS and the Attorney General's Office to legally pursue individuals who receive improperly transferred assets.
  
- **Encourage the Use of Private Resources to Fund Nursing Home Care by Modifying the Waiting List Requirements (§ 17b-550)**
  - Current state requirements mandate that a nursing home maintain an official waiting list subject to state regulations in a bound book. If a nursing home has a vacancy, it must take the next appropriate individual on the waiting list, unless the home has a private pay census of less than 30%. If the nursing home has a private pay census of less than 30%, only then may it instead go to the next *self-pay* person on the waiting list. As a result, a nursing home may never have more than 30% private pay census. **Suggestion:** *Change the current waiting list waiver conditions from 30% self-pay to 49% self-pay. Add to it that regardless of the ratio of payer mix, if at the time of vacancy a nursing home has residents who are either Medicaid pending or in a Medicaid penalty period (and therefore the nursing home is not receiving payment for their care at the time of the vacancy), then the nursing home would be permitted to go to the next self-pay person on the waiting list. This could be scaled to 1 such resident for a home of 120 beds or less and 2 for a home of 121 beds or more.*

Thank you for this opportunity to submit this testimony.

Respectfully submitted by Mag Morelli, President, LeadingAge Connecticut

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