



A nonpartisan research and public policy office of the Connecticut General Assembly

Testimony of

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On the Governor's Budget Related to Social Services
Appropriations Committee
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Thank you for this opportunity to comment on Governor Malloy's budget proposals related to social services.

My name is Julia Evans Starr, I'm the Executive Director of the Connecticut Commission on Aging (CoA). The CoA is the nonpartisan state agency devoted to preparing Connecticut for a significantly changed demographic and enhancing the lives of the present and future generations of older adults. For eighteen years, CoA has served as an effective leader in statewide efforts to promote choice, independence and dignity for Connecticut's older adults and persons with disabilities. As part of our statutory mandate set forth in CGS §17b-420, we submit an annual Results Based Accountability Report and review and comment on proposed state legislation and budgetary issues.

The Connecticut Commission on Aging vigorously applauds Governor Malloy's bold commitment to "rebalance" the long-term care system and to uphold the US Supreme Court's *Olmstead* decision and Connecticut state law (CGS §17b-337). In short, *Olmstead* and state law require that individuals with long-term care needs have the option to choose and receive long-term care and support in the least restrictive, appropriate setting. At the same time, we know that individual preference and desire is undeniably to live in ones home and community with services and supports (research substantiates this).

Many of the Governor's proposals are consistent with those advanced by our office over the years. Perhaps the most notable is the Governor's heightened commitment to advance the Money Follows the Person (MFP) program and its many facets. MFP is a multi-million-dollar systems change grant and the primary driver for long-term care reform in Connecticut. MFP's most notable attribute is that it transitions individuals of all ages from nursing homes into their homes and communities. In other words, the "Medicaid" money paying for their institutional care will now follow that person into the community. Through this rebalancing incentive grant, Connecticut receives FMAP money, additional grant money/technical support and yields a lower cost of care for each person (as stipulated in MFP protocol), while the individual gets to realize choice. So far, 900 people in Connecticut have transitioned into the community under MFP.

CoA's Leadership and Engagement:

Co-Chair, MFP Steering Committee

Co-Chair, LTC Advisory Council

Chair, CEAN

Low Income Energy Advisory Board (LIEAB)

Medical Assistance Program Oversight Advisory Council

Qualidigm Advisory Panel

Civic Health Policy Project Advisory Board

And more

Through this budget proposal, the Governor aims to advance long-term care rebalancing by starting to break down key barriers to living in the community, address gaps in home and community services, streamline processes and rightsize institutions. The following are his specific proposals:

- expanding housing options ~ such as assisted living pilots, additional congregate housing units, and additional Rental Assistance Program (RAP) vouchers;
- creating a web-based system for hospital discharges that will help individuals avoid nursing home placement;
- moving people on the PCA waiver program onto CHCPE once they turn 65 to open “slots” for people on the PCA waiver (which is presently closed and with a waiting list);
- changing the way medication is administered which includes assistive technology;
- creating independent support broker services;
- implementing a new uniform assessment tool (for Medicaid HCBS waivers);
- incentivizing nursing homes to diversify their business models ~ *in recognition of the changing role of nursing homes and a projected decreased need for nursing home beds if the state’s long-term care rebalancing goals are met*; and
- funding and retraining nursing home staff ~ *As chair of the workforce development subcommittee of MFP, the CoA has identified several goals and action steps, outlined in our recently released Direct Care Workforce Strategic Plan, to meet the high demand of direct care workers and support both paid and unpaid (caregivers) direct care workers. Latest data estimates that the state will need 9,000 additional direct care workers in the next 5 years. Statewide efforts to address recruitment, retention and training of direct care workers are critical. Retraining of nursing home staff at the time of a nursing facility closure is an area of focus that the CoA and DSS are working on together.*

Areas of concern with the budget that are not consistent with “rebalancing” are as follows:

1. ***The Governor’s proposal reduces funding for Alzheimer’s Respite Care by 10%.*** According to the 2011 Alzheimer’s Association Facts and Figures Report, 70% of care to persons with AD is in the home while 80% of that care is delivered by family members. Cutting a community based support that provides caregivers with respite will only further limit the options to keep people with Alzheimer’s disease safe in the home.
2. ***The Governor’s proposal reflects a cut in funding for the Connecticut Home Care Program for Elders (CHCPE):*** CHCPE represents the best nursing home diversion program in the state (for people 65 years of age or older). The cut of \$17.7 million represents a 27% reduction in the program. It is our understanding that this cut reflects an assumption of decreased enrollment in the state-funded portion of the CHCPE. CoA has been analyzing enrollment data in this program. Overall enrollment in the CHCPE has declined. Specifically, enrollment in the state-funded portion has declined by 3% over the past six months. Additionally, the ratio of Medicaid clients to state-funded clients has shifted substantially. In the past it has been consistently around 66/34 Medicaid to state-funded ratio. Two years of cost sharing – presently at 7% - have brought it close to a 70/30 ratio. DSS estimated that the CHCPE saved almost \$107 million for the State of Connecticut in FY ’10 by avoiding nursing home placements.

Overall, the Governor's budget proposal represents a giant leap in Connecticut's rebalancing efforts. The CoA hopes that the Legislature and the Governor will continue to support these initiatives, as long-term care is a highly complex, multi-faceted system requiring much more work. To that end, respectfully, the CoA has put forward a comprehensive, dynamic and innovative Long-Term Care Strategies Report (which we update on a quarterly basis). Our recommendations – informed by data and national trends and best practices – can continue to help inform critical policy, regulatory and implementation decisions moving forward. All reform efforts should strive to create parity and allow true consumer choice for people regardless of age, streamline systems and maximize state and federal dollars.

We wanted to just highlight a few of the CoA's strategies that are worthy of your strong consideration moving ahead:

- **Pursuit of Strong Diversion Strategies:** Specifically, CoA encourages the design of the 1915(i) State Plan Amendment that would reform the fragmented (“siloeed”) Medicaid HCBS waiver system. In doing so, eligibility would be based on functional limitations as opposed to age, diagnosis, condition or disability and expand coverage for otherwise eligible individuals who are currently waitlisted for service and divert these individuals from nursing homes. Currently there are substantial waiting lists for all Medicaid waivers, except for the CHCPE. In other words, for many people their only choice is institutional care.
- **Utilization of an aggregate cost- cap** in determining eligibility for the Money Follow the Person program. Currently, if an individual is in an institution and over the cost-cap, they are generally not provided with the option to use MFP/Medicaid funds to live in the community. If an aggregate cost cap is applied, more people would have the option to transition out of nursing homes and into the community under Money Follows the Person.
- **Implement true global budgeting:** Global budgeting will allow for the transparent and flexible movement of Medicaid funds across the long-term care continuum (between institutional and various home- and community- based services and supports) line items. Additionally, the CoA encourages the revitalization the Long-Term Care Reinvestment Account, designed to capture federal funds received under Money Follows the Person and – in a transparent way – feed these funds back into the community to improve long-term care across the continuum. Unfortunately, the establishment of this fund was delayed and, ultimately, the fund was repealed.
- **Implement the Recommendations Contained in the CoA's Workforce Development Plan**

The CoA welcomes the opportunity to discuss further with the committee these and other rebalancing strategies. In these difficult budget times, research-based initiatives, statewide planning efforts, vision and creative thinking are all needed. The Connecticut Commission on Aging stands ready to assist our state in finding solutions to our fiscal problems, while improving the quality of life for all.

Thank you.

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