



Testimony to the Human Services Committee

Supplemental Testimony in Support of

Senate Bill 394, An Act Concerning Medicaid Eligibility and the Identification and Recovery of Assets

Submitted by Mag Morelli, President of LeadingAge Connecticut

March 14, 2012

LeadingAge Connecticut again would like to thank the Committee for raising **Senate Bill 394, An Act Concerning Medicaid Eligibility and the Identification and Recovery of Assets** which proposes to ease the financial burden placed on nursing homes when a Medicaid penalty period is imposed on a nursing homes resident and to put in place some common sense rules regarding a single disqualifying asset.

We appreciated the opportunity to testify at last evening's public hearing and respectfully submit the following additional information we have received regarding LeadingAge Connecticut members' recent experiences related to these issues.

We just heard from three different non-profit nursing homes who reported that just within the last year they have cared for residents that had been placed into Medicaid penalty periods equal to \$85,000, \$25,000 and \$400,000.

We also received this detailed summary of three cases from just one LeadingAge Connecticut nursing home member in the Greater Hartford area that illustrate both the single disqualifying asset issue as well as the transferred asset penalty period. This home also indicated that these *are not the only* such cases they are currently managing.

SINGLE DISQUALIFYING ASSET

Resident A

POA applied for T-19 in February 2006. Resident remained over the asset limit until 7/1/2007 when the POA finally cashed in stocks and sent the proceeds to the facility.

The period of ineligibility due to failure to reduce assets was from 4/2006 through 12/2006. The balance due the facility for the cost of care was \$85,381.

The facility was then allowed an income diversion for the remaining balance. The period from 1/12007 through 6/1/2007 in the amount of \$62,791 would be paid with her monthly Applied Income. It was finally paid off in September 2010.

The cost to litigate the period of ineligibility was in excess of \$80,000 as the defendant decided on a jury trial. It was settled in February 2011 for \$42,000.

INTENTIONALLY TRANSFERRED ASSETS

Resident B

Resident admitted to SNF in May 2010. Family members refused to sign the admission agreement. Financial disclosure revealed that the resident owned a home which had been moved into a trust controlled by three siblings. Bills were paid until September 2011 when a T-19 application was submitted.

The first application was denied for failure to provide information. A second application was submitted in January 2012 and subsequently denied. More than \$233,000 has been gifted to the three siblings each of whom is a POA.

The current balance due the facility is \$95,527. The home is for sale. No payments are being made to the facility. If and when the home is sold, a penalty will be assessed for the transfer after the proceeds from the sale are used for care. Eligibility for T-19 is unlikely. Legal fees to date are \$5290.

Resident C

Resident was admitted in March 1999. Daughter had control of all assets and would not pay bills until coerced by an attorney.

The balance due in June 2011 was \$110,718. An application was filed and requests for information ignored. Another attorney for the resident was engaged. The application was finally granted in March 2012 with a penalty of \$46,792 due to transferred assets.

Additionally there was an income diversion for the period 10/2010 through 2/2011 in the amount of \$42,720. It is anticipated that it will be paid over the next 24 months. The resident is 95 years old.

The daughter agreed to settle the penalty for \$35,000 but refused to take any responsibility for the income diversion should her mother be unable to complete payments.

Legal fees to date on this account are \$13,498.

Thank you for this opportunity to provide this additional information in support of our testimony.

Mag Morelli, LeadingAge Connecticut, mmorelli@leadingagect.org (860) 828-2903

LeadingAge Connecticut, 1340 Worthington Ridge, Berlin, CT 06037
www.leadingagect.org