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Testimony of AARP Before the Appropriations and Human Services Committee on Medicaid Waiver Amendments

Thank you for allowing AARP Connecticut the opportunity to provide written testimony on the Medicaid waiver amendments for the Home and Community Based Services and Personal Care Assistance waivers. AARP is a nonprofit, nonpartisan organization, with a membership of more than 37 million, nearly 600,000 of whom live right here in Connecticut, which helps people age 50 and up turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as healthcare, employment security and retirement planning.

AARP supports initiatives to balance Long-Term Services and Supports (LTSS) systems, so consumers and their families have viable options in the type of services they want and need. “Balancing” or “rebalancing” efforts that fund an array of LTSS can ensure that people with LTSS needs have viable access to a variety of services to meet their needs and their preferences for assistance.

LTSS systems have proven to be a more cost-effective and efficient use of scarce resources and because most individuals prefer to receive services and supports in their homes and home-like settings, AARP supports the expansion of resources toward Home and Community-Based Services (HCBS) to “balance” Medicaid LTSS spending between nursing homes and HCBS.

We believe any expansion of HCBS needs to include certain components, some of which are:

- A single point of entry to provide consumers with unbiased information about their range of options and to determine financial and functional eligibility in a timely fashion
- The means for providing potential consumers with viable HCBS options in order to divert people from nursing home care either before admission or shortly thereafter
- The elimination of HCBS waiting lists
- The creation or enhancement of a system for quality oversight and enforcement of quality of care standards in all settings

In addition, AARP supports the availability of Medicaid optional services, including conflict-free care management, personal care and adult day services as well as support for family caregiver services such as respite care and policies that will pay relatives and friends who care for people with LTSS needs as part of a plan of care.

Turning our attention to the two HCBS proposed Medicaid waiver amendments, AARP supports in principle the addition of the Adult Family Living (Adult Foster Care) service option. In evaluating how this service option (also referred to as structured family caregiving) has worked in Massachusetts and Rhode Island, the results so far have been both encouraging and promising. For example, according to the Rhode Island Department of Human Services, Rhode Island spent more than \$300 million on nursing homes in 2012, paying \$165 a day per bed. The “RIte @ Home” program saved the state more than \$1.5

million last year because paying home caregivers cost about half as much per day as a nursing home bed. In addition, caregivers are given \$3,000 a year for respite services as well as connections to community support services, such as support groups and adult day care services.

In Massachusetts last year, Medicaid savings reached between \$130- \$140 million because of its structured family caregiving program. Instead of paying a nursing home the Medicaid rate, about \$172 a day, the state of Massachusetts paid its service provider \$83 a day per client, of which roughly 60 percent is given to caregivers as a tax-free stipend, equating to about \$17,000 a year. The stipend to caregivers is one of the core innovations of the program in Rhode Island and Massachusetts because it allows a caregiver – such as a son or daughter or a close friend of the client to work full-time as the in-home caregiver.

As stated above, these adult family living or structured family caregiving models appear promising and encouraging. But before AARP can offer a full endorsement of these programs, we believe they are still too new in practice and need to be further studied and evaluated to make sure that they live up to their promise. There are of course different means of measuring successful outcomes, but one of our preferred methods would be to survey both consumer and caregiver experiences (as opposed to satisfaction). Are the needs of both being met? Are we finding any unforeseen or unintended negative consequences? Are structured family caregiving or adult family living programs reducing admissions to nursing facilities and/or are they transitioning individuals away from institutional care and into homes or community settings? What level of oversight will be established for these services and who will be responsible for the provision and public reporting of findings?

In spite of our reservations, AARP applauds Connecticut for taking the initiative to provide a new LTSS option for consumers and caregivers alike.

AARP is fully committed in its belief that family caregivers are the backbone of the long-term services and supports system. Family members, partners, and close friends provide the vast majority of the care and support for loved ones with chronic care needs and functional limitations. In 2009, family caregivers of adults with chronic or disabling conditions provided an estimated 40 billion hours of unpaid care with an estimated economic value of \$450 billion. In the same year, according to AARP's Public Policy Institute (*Valuing the Invaluable*), there were 486,000 caregivers in Connecticut in 2009, providing 465 million hours of care estimated at an unpaid economic value of \$5.8 billion. Even for recipients of paid services, family members play a critical role as 72 percent of older adults receiving paid LTSS also have a family caregiver.

While most family caregivers undertake this work willingly, their compromised health, financial burdens, and accumulated strain over time often are overlooked. These burdens and health risks can impede family caregivers' ability to continue providing care, often leading to costly Medicaid-financed nursing home placement. They can also lead to higher health and LTSS costs overall, and negatively affect the caregiver's quality of life as well as that of the individual for whom they care.

In order to maintain and protect this valuable resource, Connecticut could and should ensure that supports are available to assist family caregivers and help them maintain their own health and well-

being. The complexities and strains of family caregiving can be further mitigated by assessing and responding to the needs of family caregivers, providing cost effective supportive services, respite care, legal protections as well as education and training.

Thank you.

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