

CONNECTICUT ASSOCIATION OF HEALTH CARE FACILITIES, INC.

February 19, 2013

**Testimony of Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), Inc. on H.B. No. 6413 (RAISED)
AN ACT CONCERNING MEDICAID ELIGIBILITY AND THE
IDENTIFICATION AND RECOVERY OF ASSETS.**

Good afternoon Senator Slossberg, Representative Abercrombie and to the members of the Human Services Committee. My name is Matthew V. Barrett, Executive Vice President of the Connecticut Association of Health Care Facilities (CAHCF), our state's one hundred and sixty-six (166) member trade association of skilled nursing facilities and rehabilitation Centers. Thank you for this opportunity to offer testimony this afternoon on **H.B. No. 6413, AN ACT CONCERNING MEDICAID ELIGIBILITY AND THE IDENTIFICATION AND RECOVERY OF ASSETS.**

This badly-need legislation provides a partial remedy to the harsh consequences nursing homes face when Medicaid applicants transfer assets and penalty periods are imposed and in the situations when eligibility is erroneously denied. It is far too often the case that Connecticut nursing homes, through no fault of their own, are left providing nursing home care without any payment from public or private sources when these circumstances arise. When this happens, nursing homes are significantly harmed because they are forced to provide care that is unreimbursed free care.

The bill provides that a nursing home resident shall not be determined ineligible for Medicaid solely on the basis of a disqualifying life insurance policy with a cash value less than \$10,000. This is very important as a remedy to the unjust outcome nursing home's experience when excess life insurance assets, not initially disclosed or known, later become known in the Medicaid eligibility determination process, and therefore no effort has been made to properly spenddown the asset. But for this inattention, there would be eligibility. Instead, there is no eligibility, even as liability to the nursing homes is accumulating. In the worse cases, this unjust outcome is exacerbated when eligibility determinations are delayed at the DSS regional office.

Second, the bill authorizes DSS to assess a monetary penalty equal to double the amount of the debt when transfers or assignment have resulted in the imposition of penalty period. This will discourage transfers. The bill also extends the debt owed to the state to a debt owed to the nursing home as well, and it authorizes a civil action by the nursing home to collect the debt. The bill similarly authorizes a civil action to collect owed applied income.

This new authority will create an opportunity for restitution for the nursing home providing uncompensated care during these periods.

We urge passage of the bill for these reasons.

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