



Written Testimony before the Aging Committee

February 25, 2014

The Department of Social Services offers the following written testimony on several bills that impact the agency and its programs.

S.B. No. 174 (RAISED) AN ACT CONCERNING FAIRNESS IN MEDICAID ELIGIBILITY DETERMINATIONS FOR HOME-CARE CLIENTS.

This bill proposes to align the effective date of eligibility for home and community-based services under a Medicaid waiver with the effective date of Medicaid eligibility for institutional care when an improper transfer of assets has occurred.

Federal law requires the imposition of a penalty when individuals transfer assets for less than fair market value for the purpose of obtaining Medicaid payment of long-term care services. Long-term care services include home and community-based services under a Medicaid waiver, as well as services provided in an institutional setting. The penalty period begins on the date when Medicaid would otherwise pay for long-term care services had the improper transfer not occurred. Medicaid does not pay for long-term care services during the penalty period as the individual could have paid for his or her care had the improper transfer not occurred.

For waiver applications, services cannot begin until the application is processed. Retroactive eligibility is not permissible under the structure of our current waiver programs. There are provisions in the waiver -that require, for example, the completion of a criminal background check for providers under the waiver. If retroactive payment were possible, there could be no assurance that this CMS requirement was met. In addition, there are specific rates and approved providers in a waiver. Private services that clients/families arrange prior to the determination of financial eligibility may be provided by a non-Medicaid provider at any range of rates. Neither of these would be permissible under a waiver program.

Most importantly, the Connecticut Home Care Program for Elders waiver specifies to CMS that clients are provided a choice of providers and that they receive care management services that include ongoing monthly monitoring of the clients' status and the effectiveness of the person-centered plan. This standard cannot be met retroactively. As transfer of asset penalties cannot begin until Medicaid would otherwise pay for waiver services and since waiver services cannot begin until the application is processed, transfer of asset penalties cannot begin until the application is processed.

The department cannot support this proposal.

S.B. No. 177 (RAISED) AN ACT CONCERNING A COMMUNITY SPOUSE'S ALLOWABLE ASSETS.

This bill proposes allowing the spouse of an institutionalized person who is applying for Medicaid (referred to hereafter as the "community spouse") to retain marital assets up to the maximum allowed under Federal law. Effective January 1st, 2014, this amount is \$117,940. Under current statute, community spouses of long-term care Medicaid recipients are allowed to keep one-half of the couple's liquid assets up to the federal maximum. If the total of the assets are under the minimum allowed by federal law (\$23,184) the community spouse may keep all of the assets. The couple's home and one car are excluded from the assessment of spousal assets. Only thirteen states allow the community spouse to keep the full federal maximum of \$117,240 without adjustment as is proposed in this bill.

The department has opposed this legislation in past years due to our belief it will result in a significant fiscal impact to the state. However, we are willing to explore this concept further with the proponents and the Office of Policy and Management to determine if changes to the programs are fiscally feasible at this time.

H.B. No. 5223 (RAISED) AN ACT INCREASING FUNDING FOR ELDERLY NUTRITION

This bill would increase the rate to providers of home delivered meals who participate in the Connecticut Home Care Program for Elders.

While we certainly value the work community providers provide to beneficiaries of our programs, to single out one provider type at the exclusion of the others is inequitable and cannot be supported by the department.

Additionally, funds have not been included in the Governor's recommended budget adjustments to support such an increase; therefore we must oppose this bill.

H.B. No. 5224 (RAISED) AN ACT INCREASING PUBLIC ASSISTANCE TO GRANDPARENTS AND OTHER RELATIVES RAISING CHILDREN.

This bill would increase the payment standard for child only assistance units in the Temporary Family Assistance (TFA) program to the foster care rate paid by the Department of Children and Families.

While the department appreciates the goal of achieving equity in these benefits, in the past we have estimated the cost of such a change to be approximately \$33 million. Therefore, we must oppose the bill due to the significant costs associated with providing such a benefit increase.

H.B. No. 5225 (RAISED) AN ACT INCREASING ELIGIBILITY FOR THE CONNECTICUT HOME-CARE PROGRAM FOR THE ELDERLY.

This proposed bill would increase the asset limit for an individual applying for the Connecticut Home Care Program.

Raising the asset limit would open the program to a much larger pool of applicants, which could reduce the amount of funds available to applicants with more limited resources. If the demand were to exceed the state appropriation, which is likely, then this bill would result in: (1) a waiting list; (2) a reduction of services to those currently being served; or (3) additional costs to the program.

The bill also seeks to reduce the cost share. The 1% reduction on average amounts to approximately \$15/month per recipient.

We oppose this bill as it will significantly expand eligibility resulting in increased program costs that were not included in the Governor's recommended budget adjustments.

H.B. No. 5226 (RAISED) AN ACT INCREASING THE PERSONAL NEEDS ALLOWANCE FOR CERTAIN LONG-TERM CARE FACILITY RESIDENTS.

This proposal would increase the monthly personal needs allowance (PNA) for Medicaid clients residing in nursing facilities from \$60 to \$72. Current federal Medicaid law requires that a state provide a minimum PNA of \$30, one-half Connecticut's current personal needs allowance of \$60.

The department is sensitive to the needs of this population and appreciates the difference that even five dollars can make in their lives. However, increasing the amount that these individuals can keep each month for their personal needs would result in additional costs that are not included in the Governor's recommended budget adjustments. The department cannot support this increase in funding.

H.B. No. 5229 (RAISED) AN ACT CONCERNING THE EXPANSION OF A SMALL HOUSE NURSING HOME PILOT PROGRAM.

This bill would allow the Commissioner of Social Services to expand, within available appropriations, a second small house nursing home in the state. This additional facility would include Masonicare Health Facilities in Wallingford. The total number of beds in the second pilot would be 380 beds.

Based on a previously approved small house project, DSS estimates the proposed small house nursing home at Masonicare will cost approximately \$9 million in fair rent annually for 30 years based on an initial cost of \$147 million and 4.5% rate of return. Furthermore, this bill does not require private contributions and does not contemplate a reduction in licensed beds. There are 6,529 licensed beds in towns within a 15 mile radius of Wallingford (91.4% occupancy). DSS

estimates there are currently over 325 excess beds in the area and the amount of excess beds may increase due to the impact of MFP.

The department cannot support this proposal.