



Written Testimony before the Aging Committee

February 5, 2015

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

S.B. No. 705 (RAISED) AN ACT CONCERNING A COMMUNITY SPOUSE'S ALLOWABLE ASSETS

This bill proposes to allow 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 1, 2015, this amount is \$119,220.

This proposal intends to increase the amount of assets the community spouse is currently allowed to keep. 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 of \$119,220. If the total of the assets are under \$23,844, the minimum allowed by federal law, the community spouse may keep all of the assets. The couple's home and one car are excluded from the assessment of spousal assets. The federal amounts are adjusted annually based on increases in the Consumer Price Index.

The Department continues to maintain that the current policy, which has been in place since 1989 (with the exception of FY 2011), is fair and reasonable and supports the original intent of the 1988 Medicare Catastrophic Coverage Act, which sought to prevent the impoverishment of spouses of those applying for Medicaid coverage for long-term care. Furthermore, the department's current policy is in line with most other states.

We have opposed increases in the amount of assets protected for community spouses in past years due to our belief it will result in a significant fiscal impact to the state. Today, we cannot support increasing the minimum Community Spouse Protected Amount as it will have a negative fiscal impact on the Medicaid account in a challenging budget environment.

H.B. No. 6393 (RAISED) AN ACT INCREASING STATE SUPPORT TO GRANDPARENTS WHO ARE RAISING GRANDCHILDREN

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 \$15.5 million. Therefore, we must oppose the bill due to the significant costs associated with providing such a benefit increase.

H.B. No. 6394 (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 the Department certainly values the work community providers deliver to beneficiaries of our programs, there are multiple services and hundreds of providers participating in not only the Connecticut Home Care program but other waiver and community-based services programs. The Department believes singling out one provider type at the exclusion of the others is inequitable and cannot be supported. On January 1, 2015, the Department increased the rates for all DSS waiver services by 1%.

Additionally, given the fiscal climate, it is not anticipated that there will be funds included in the Governor's recommended budget to support this addition; therefore, the department must oppose it.

H.B. No. 6397 (RAISED) AN ACT CONCERNING RETROACTIVE MEDICAID 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 eligibility 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 services and supports. Long-term services and supports 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 services and supports had the improper transfer not occurred. Medicaid does not pay for long term services and supports 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 for the requirement of the completion of a criminal background check for providers under the waiver and monthly monitoring by the Access Agency. If retroactive payment were possible, there could be no assurance that these CMS requirements were 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.

In contrast, the Department would like to note that clients who are active participants on the state-funded Connecticut Home Care Program for Elders and who become Medicaid active with a retroactive effective date, are able to have their services retroactively billed to Medicaid. This is feasible because they have met all of the waiver's programmatic requirements.

Most importantly, waivers such as the Connecticut Home Care Program for Elders, specify 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.

Because federal law does not support the changes sought by this proposal, the department cannot support this bill.