

*Written Testimony before the Aging Committee*

*February 17, 2015*

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

**S.B. No. 860 (RAISED) AN ACT CONCERNING PRESUMPTIVE MEDICAID ELIGIBILITY FOR HOME CARE**

This bill would provide presumptive eligibility for applicants for the Connecticut Home Care Program for Elders.

The Department appreciates and shares in the desire to ensure that individuals have prompt access to home care services. In its current form, however, we do not believe the proposal adequately takes into account the Department's operations and processes for determining eligibility and the allocation of resources relating to the program. Moreover, we believe that this proposal could lead to additional administrative and staffing costs to the program.

The Department is also concerned that, by granting presumptive eligibility, there is less incentive for an applicant to complete the full long-term care application. Once services begin, applicants may not understand that they still need to complete an application in a timely manner in order to ensure continuity of services. If the applicant does not complete the application in a timely manner, or if the applicant is ultimately found ineligible for services, the department is in the very difficult position of having to stop paying for services that have already begun. Because the department's timeliness for processing long-term care applications is at 90.51%, we think it may be better to delay initiation of services for a short time and get it right, rather than to start paying for them, only to have to stop.

The Department shares the premise of ensuring timely access to services, and has initiated a number of measures to assist with this. For example, we have designated four offices as long-term care application processing hubs. These hubs are responsible for processing all long-term care applications within a designated catchment area. The Department has also assigned a specific hub for all waiver applications. Each application is assigned to a specific worker, who serves as the point of contact. Since implementation of these hubs in late 2013, processing times for long-term care applications has dramatically decreased. As mentioned above, the long-term care application timeliness rate at 90.51%, including applications that remain outstanding beyond the standard of promptness (typically 45 days) for good cause. We are also currently reviewing long-term care application processing best practices within the four hubs, as well as from other states, to gain greater efficiencies.

In summary, the requirements of this bill would add multiple layers to the eligibility process in time frames that are not achievable. Also, there is the potential for the proposal to impose significant costs on the department, both for services that ultimately are not eligible for federal match because the application process was never completed or the applicant is ineligible, and for additional staffing.

For these reasons, the Department is unable to support this bill as written. The Department would, however, be willing to discuss a study within workable timeframes. The purpose of the study would be to analyze the feasibility of implementing presumptive eligibility in Connecticut in a manner that achieves the objectives of the committee and mitigates the aforementioned risks.

### **H.B. No. 6685 (RAISED) AN ACT INCREASING HOME CARE PROVIDER RATES**

This bill would increase home care provider rates to reflect the cost of providing services.

This fiscal year, the Department increased payments for all home care, home health and waiver services by 1%. The annualized impact of this increase is estimated to be \$6.4 million in total, with a state share of \$3.2 million.

This bill proposes an initial 2% increase in SFY 2016 for home care provider rates and then recognition of the full cost of services for SFY 2017. As the details surrounding the cost reporting and the rate setting methodology necessary to pursue the reimbursement based upon cost of services have not yet been developed, the cost of this proposal cannot yet be quantified. An estimated cost for the 2% increase, however, is anticipated to be in the range of approximately \$7 million in additional state expenditures.

The Department does not anticipate an increase in Medicaid funding that would enable it to make an increase in reimbursement of this magnitude.

For these reasons, the Department is unable to support this bill.

### **H.B. No. 6716 (RAISED) AN ACT EXPANDING ACCESS TO HOME CARE**

This proposed bill would increase the asset limit for an individual applying for the state-funded portion of the Connecticut Home Care Program for Elders by 12%, and would increase the asset limit for couples applying for the program by 36%. This change would also set a fixed asset limit in statute, where currently the statute ties the asset limit to the community spouse protected amount, determined by the federal government, so that each year the amount changes accordingly.

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.

Any expansion of the eligibility pool is not recommended as it will require additional appropriations to ensure that services to those most in need are not compromised; the state's limited resources should be targeted to those most in need.

In addition, the bill's proposal to decrease the cost share by 1% will result in additional expenditures of approximately \$450,000 per year due to the reduction in offsetting revenue. These additional dollars have not been budgeted.

As a result, the Department cannot support this bill.