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Testimony of
The Permanent Commission on the Status of Women
Before the
Aging Committee
February 5, 2015

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

Senators Flexer and Kelly, Representatives Serra and Bolinsky, and distinguished members of the Aging Committee, thank you for this opportunity to provide testimony on behalf of the Permanent Commission on the Status of Women (PCSW) in support of **S.B. 705 An Act Concerning a Community Spouse's Allowable Assets**.

The decision to place a loved one in a long term care facility can be a painful and difficult one under any circumstances, but the decision is further complicated when facing the financial hardship that often accompanies institutional care. In many cases, the individual has no choice but to apply for Medicaid to cover the exorbitant costs of such care. In situations where the individual applying for Medicaid is married, the spouse who remains at home in the community – the “community spouse” – often suffers financially in order for the institutionalized spouse to qualify for long-term care Medicaid. Under current law, the community spouse may retain one-half of the couple's liquid assets up to the maximum allowed under federal law - \$119,220. S.B. 705 would bring the maximum allowed under Connecticut law in line with the federal maximum, which is adjusted annually in accordance with the Consumer Price Index.

Impact on Connecticut Women

Elderly women represent 58% of the Connecticut's elderly population and 68% of the elderly population over the age of 85.ⁱ Because women have longer life expectancies than men, more than half (57%) of those covered by the Medicare program are women.ⁱⁱ By the time women are 85 and older, they account for nearly three-quarters of all Medicare beneficiaries.ⁱⁱⁱ

Social Security is the only source of income for one out of five older adults in Connecticut and virtually the only source of income for 40% of older women in Connecticut. According to the Social Security Administration, the average monthly Social Security check received by women is \$774 per month versus \$1,006 for men; an elderly couple receives an average monthly Social Security income of \$1780.^{iv}

According to the Connecticut Elder Economic Security Standard Index (ESSI),^v Social Security income falls short of what is needed for seniors to meet basic expenses (housing, healthcare, transportation and food), which is \$1,700 to \$2,600 a month for a single elder, and \$2,600 to \$3,500 for an elderly couple.

If couples have managed to build and retain assets, they should be allowed to utilize those assets so that the spouse who remains in the community can maintain his or her own household and live independently.

The small and simple change proposed in S.B. 705 would have a substantial impact on the lives of many women in Connecticut facing the financial hardship that comes with the institutionalization of a spouse on Medicaid. This small difference could mean the great difference between living independently with dignity and living poverty while relying on public assistance programs to get by.

Thank you for your consideration of this important issue.

i U.S. Census Bureau. American Fact Finder, 2010 Profiles of General Population and Housing Characteristics.

ii National Women's Law Center. Cuts to Medicaid Will Hurt Connecticut, May 2005.

iii Ibid.

iv U.S. Department of Labor: Women and Retirement Savings, 2008.

v The Gerontology Institute, University of Massachusetts Boston, and Wider Opportunities for Women. The Elder Security Initiative Program: The Elder Economic Security Standard Index for Connecticut, 2009. Prepared for the Permanent Commission on the Status of Women and the Connecticut Commission on Aging.