



A Nonpartisan Public Policy and Research Office of the Connecticut General Assembly

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Appropriations Committee Public Hearing 2/27/15

Testimony of Julia Evans Starr Executive Director, Connecticut's Legislative Commission on Aging

Julia Evans Starr
Executive Director

Senator Bye, Representative Walker and esteemed members of the Appropriations Committee, my name is Julia Evans Starr, and I am the Executive Director for Connecticut's Legislative Commission on Aging. I thank you for this opportunity to comment on portions of the Governor's proposed budget for the Department of Social Services, Department of Rehabilitation Services and the State Department on Aging.

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As you know, Connecticut's Legislative Commission on Aging is the non-partisan, public policy and research office of the General Assembly, devoted to preparing Connecticut for a significantly changed demographic and enhancing the lives of the present and future generations of older adults.

Christianne Kovel
Special Projects
Coordinator

Our testimony contains background information, data and analysis for select aging-related, programmatic funding to help inform your decision making process. *It is worth noting that though we are focusing on older adults, the reductions proposed are a shared experience spanning all ages and several state departments.*

*With 21 volunteer
board members from
across the state*

Department of Social Services Proposed Budget

- **Reduce the Personal Needs Allowance (PNA) for Residents of Long-Term Care Facilities from \$60 to \$50.** Expected Savings: \$1,000,000 both years. *Social Security and other income received by nursing home residents are applied towards the cost of care except for a monthly PNA. Residents use funds for such items as clothing, grooming, personal phone and entertainment. (Background: In 1998, CT increased the PNA from the federal minimum of \$30 to \$50 per month and provided for annual updates equal to the inflation adjustment in Social Security income. Resultantly, the state's PNA was \$69 per month in FY 2010. PA 11-44 reduced this amount to \$60 and eliminated the indexing.)*

Impact: This would affect 70% of all nursing home residents in the state, approximately 17,000 older adults and persons with disabilities.¹ As expressed by the residents themselves, this reduction would diminish their quality of life.

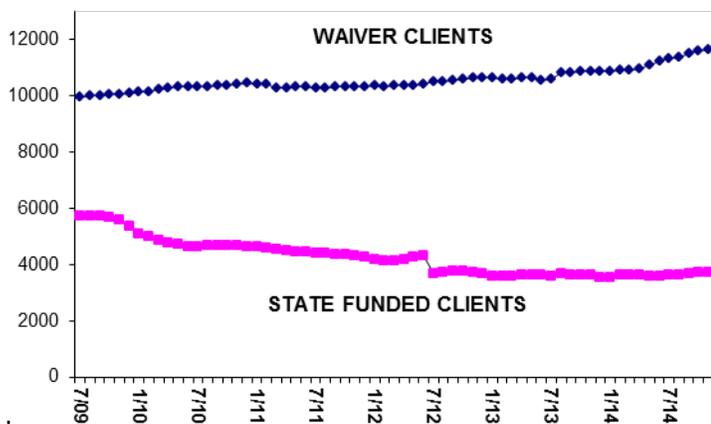
¹ CT Office of Policy and Management, [2014 Annual Nursing Facility Census](#).

State-Funded Connecticut Home Care Program for Elders (CHCPE). For the past several years, the state of Connecticut has been clear about its commitment to “rebalancing” long-term services and supports. The [State’s LTC Plan](#), the [Governor’s 2013 Rebalancing Plan](#) and related initiatives and policies seek to grant people of all ages a choice is where and how they receive services and supports. We know through research and otherwise that the vast majority of people want to remain in their homes and communities.

- Increases the Cost-Share from 7% to 15% under the State-Funded Connecticut Home Care Program** *Expected Savings: \$2,800,000 & \$3,000,000.* *Background: The state-funded CHCPE provides home and community-based services to older adults who are at risk of nursing home placement and meet the program’s financial eligibility criteria PA 09-5, September special session, introduced a client cost sharing requirement of 15% of the cost of care under the state-funded CHCPE program. This requirement was reduced to 6% under PA 10-179 and then increased to 7%. According the Department’s Cost Effectiveness Model, the CT Home Care Programs for Elders produced a net savings of \$105 million dollars in SFY 2013.²*

Impact: All 3,700 people who are presently state-funded CHCPE participants and future eligible applicants would be subject to a 15% co-pay.³ When the co-pay of 7% initially was implemented it had a chilling effect on the program. As reported by the access agencies (the community contractors of CHCPE), hundreds of older adults dropped from the program as they were unable to afford the co-pay. In illustration see the chart below (provided by DSS, Alternate Care Unit) of the casemix trajectory.)

For others it meant significantly reducing their services to bring down the amount that they would have to pay. In doing so, clients received less support and providers such as adult day centers (ADC), were profoundly impacted. As a more intensive (costly) service of CHCPE, ADC was often dropped from the care plan (not out of need but due to financial necessity) to reduce cost to the individual.



- Freeze Intake to Category 1 of the State-Funded Connecticut Home Care Program** *Expected Savings: \$1,800,000 & \$5,600,000.* *Background: Category 1, older adults who are at risk of hospitalization or short-term nursing facility placement but not frail enough to require long-term nursing facility care.*

Impact: There are 1,120 people 65 years of age and older on CHCPE Category 1 (who are grandfathered in). This impacts anyone potentially eligible (no new applicants).

² CT Department of Social Services, Alternate Care Unit. [2013 Annual Report](#).

³ CT Department of Social Services, Alternate Care Unit. December 2014 Monthly Report.

Closing intake and access to people who are functionally and financially in need but not at "nursing home level of care" is in opposition with the state's commitment toward home and community based services.

- **Require Dually Eligible Clients to Cover All Medicare Part D Co-Payments**

Expected Savings: \$80,000 & \$90,000. *Currently, persons dually eligible for Medicare and Medicaid who are not receiving home and community-based services under Medicaid are responsible for paying up to \$15 per month in Medicare co-pays for Part D-covered drugs, with the state covering any costs that exceed this amount. The co-payments per prescription range from \$1.20 to \$6.60 in 2015.*

Impact: There are 57,000 people who are dually eligible (minus 11,700 people who are on the CHCPE waiver) that this would impact.⁴ These older adults are both of modest means and of poor health (on multiple prescriptions). Further, this would compound an inequity as Medicaid-only individuals at the same income level, who have their drugs covered through Medicaid, continue to have no drug copays.

Department of Rehabilitation Services Proposed Budget

- **Eliminates state funding to the Centers for Independent Living**

Expected Savings \$502,000 annually

There are five Centers for Independent Livings in Connecticut that help to promote independence, productivity and quality of life for individuals with disabilities. The Centers for Independent Living, in partnership with the five Area Agencies on Aging, provide information and referral and benefits counseling for long-term services and supports to individuals with disabilities and older adults through their Community Choices program. The five Centers for Independent Living receive approximately \$270,000 (total) in federal funds.

State Department on Aging Proposed Budget

- **Reduces Appropriation for the Connecticut Statewide Respite Care Program by a fourth.** *Expected savings: \$550,000 in both fiscal years.* Connecticut Statewide Respite Care Program provides respite services for caregivers providing care to individuals with Alzheimer's Disease or related dementias. The proposed cut represents a 25% cut to the Statewide Respite Care Program line item. A consistent recommendation across State Plans and Studies is to provide support for informal caregivers. Research clearly indicates that supporting informal caregivers with programs such as the Alzheimer's Respite Care Program, is critical to keeping individuals out of nursing homes; it keeps caregivers healthy, and allows families to utilize various options in respite allowing for more cost effective solutions.

Impact: Approximately 700 people utilize the respite care program each year. With a 25% cut to the Respite Care Program, one could expect a commensurate reduction in

⁴ CT Department of Social Services. Proposal to the Center for Medicare and Medicaid Innovation: [State Demonstration to Integrate Care for Dual Eligible Individuals. May 31, 2012.](#)

the number of individuals that would be served. As of February of this year, one area of the state had already closed intake for the fiscal year due to demand.

Eliminates State Support for Pilot Community Ombudsman Program (LTCOP)

- *Expected savings: \$28,015 in both fiscal years.* Mandated by the federal Older Americans Act, the LTCOP safeguards the rights and quality of life for residents of skilled nursing facilities, residential care homes and assisted living. This funding represented part of an effort to align the work of the LTCOP policy, programmatic and funding with home and community based support. In doing so, the CGA in PA 13-234 established a pilot in Hartford to have the LTCOP available in the community and appropriated funding. The funds were not released due to the hiring freeze. The LTC Ombudsman does not have the capacity to staff this pilot without these funds. Federal funds for the LTCOP are restricted and are not allowed to be used for community based ombudsman services.