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To:
Honorable Senator Marilyn Moore, Co-Chair
Honorable Representative Catherine Abercrombie, Co-Chair
Members of the Human Services Committee

Human Services Committee Public Hearing
January 29, 2015

Please Support
HOUSE BILL 5806

***AN ACT INCREASING THE MINIMUM AMOUNT OF ASSETS THAT MAY BE
RETAINED BY THE SPOUSE OF AN INSTITUTIONALIZED PERSON.***

Federal Medicaid law prescribes the rules that states use when determining Medicaid eligibility. In the spousal impoverishment provisions of the law, Congress sought to prevent the impoverishment of the spouse of an individual who required long term care by prescribing the amount of assets that the well spouse, known as the "Community Spouse," is entitled to retain when his or her ill spouse enters a nursing home and applies for Medicaid. Currently, Connecticut has adopted the most restrictive option for states, and only permits the Community Spouse to keep **the lesser of** one half of the couple's assets or \$119,220.00, but no less than \$ 23,844.00 (as of January 1, 2015).

House Bill 5806 raises the minimum amount of assets the Community Spouse can keep from \$23,844.00, to \$50,000.00, thereby giving the Community Spouse a bit more flexibility to stay in the community than the current law provides.

Example: A 74 year old husband enters a nursing home. His 68 year old wife has a certificate of deposit in the amount of \$50,000.00. Pursuant to Connecticut's current restrictive rules, the wife is only entitled to keep \$25,000.00 of the certificate of deposit and the husband may keep \$1,600.00. The remaining \$23,400.00 must be spent before the husband would be Medicaid eligible. The wife's share of the couple's assets of \$25,000.00 must last her for her life expectancy (projected to be in excess of 15 years). Pursuant to House Bill 5806, the wife could retain the entire certificate of deposit in the amount of \$50,000.00 thereby preventing her impoverishment and enabling her to remain in the community longer, while saving the state the cost of her institutionalization in a nursing home or payment of home care services under the Connecticut Home Care Program for Elders.

COST SAVINGS:

1. House Bill 5806 provides the Community Spouse with the assets and the income from those assets that will permit her/him to remain in the community, and therefore will be less likely to look for public assistance. These cost savings are "invisible" but significant.

2. The “Spend-down” of the excess assets will most likely not be on nursing home costs, but instead will be spent for other items as permitted by Medicaid law and therefore will not delay Medicaid eligibility nor produce cost savings for the state.
3. There is an administrative cost savings to DSS in making determinations of Spousal Assessments, monitoring the spend-down, and reducing Administrative Fair Hearings where individuals would request an increase to the Community Spouse Protected Amount.
4. If a Community Spouse is entitled to keep \$50,000.00 in assets, he/she will not be eligible for or need to apply for the state funded portion of the Connecticut Home Care Program which currently has an asset limit of \$35,766.00 for an individual and \$47,688.00 for a couple, which is a savings of taxpayers’ money.

PUBLIC POLICY CONSIDERATIONS:

- **House Bill 5806 promotes the good public policy of enabling individuals to “age in place” and remain in the community, which is better for individuals AND for the State in the reduction of spending on institutional care for those individuals who were able to remain in the community rather than in nursing homes.**
- The cost of living in Connecticut is one of the highest in the country.
- The 2009 report “Elders Living on the Edge: Toward Economic Security for Connecticut’s Older Adults,” by the Permanent Commission on the Status of Women and the Commission on Aging found that single older women and men in Connecticut who predominantly rely on Social Security *fall short of economic security regardless of housing status.*
- This Report found that “In high-cost Connecticut, where Social Security payments approximate the national average, Social Security payments **fail** to provide older adults economic security” and that “This problem is most severe for single elderly women.”
- Other states including Massachusetts, Vermont, Maine, California, Colorado, Arkansas, Hawaii, Illinois, Louisiana, and Mississippi all provide the maximum community spouse protected amount permitted by federal law (i.e., Community Spouses can keep assets up to \$119,220.00 as of January, 2015).
- AARP has expressed strong concerns that the current restrictive rules will have an adverse impact on those with moderate and low assets, especially women, and that the current restrictive rules will increase the likelihood that a Community Spouse will end up in a nursing facility.

The Connecticut Bar Association respectfully urges the Human Services Committee to act favorably on House Bill 5806.

Respectfully submitted,

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