



Connecticut

Testimony of AARP Connecticut
Aging Committee, February 18, 2020

In Support of:

S.B. 81 AN ACT PERMITTING THE COMMUNITY SPOUSE OF AN INSTITUTIONALIZED MEDICAID RECIPIENT TO RETAIN THE MAXIMUM AMOUNT OF ALLOWABLE ASSETS

S.B. 83 AN ACT REDUCING PARTICIPANT COSTS AND EXPANDING ELIGIBILITY FOR THE CONNECTICUT HOME-CARE PROGRAM FOR THE ELDERLY

H.B. 5095 AN ACT ESTABLISHING A TASK FORCE TO STUDY A CONSERVED PERSON'S RIGHT TO INTERACT WITH OTHERS

H.B. 5096 AN ACT EXPANDING ELIGIBILITY FOR THE ALZHEIMER'S DISEASE RESPITE PROGRAM

H.B. 5097 AN ACT INCREASING FINANCIAL ASSISTANCE FOR GRANDPARENTS AND OTHER NONPARENT RELATIVES RAISING NEEDY CHILDREN

H.B. 5098 AN ACT RAISING THE PERSONAL NEEDS ALLOWANCE FOR CERTAIN RESIDENTS OF LONG-TERM CARE INSTITUTIONS

H.B. No. 5099 AN ACT CONCERNING AN INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS

AARP is a nonpartisan, social mission organization that advocates for individuals age 50 and older. We have a membership of 38 million nationwide and approximately 600,000 in Connecticut. We advocate at the state and federal level for the issues that matter most to older adults and their families, including several of the issues that you are considering today. We would like to offer our support for all of the bills discussed below, which we believe will help Connecticut residents age safely in their homes, care for their loved ones, and live with dignity.

S.B. 81 AN ACT PERMITTING THE COMMUNITY SPOUSE OF AN INSTITUTIONALIZED MEDICAID RECIPIENT TO RETAIN THE MAXIMUM AMOUNT OF ALLOWABLE ASSETS

In Connecticut, when a married individual enters a nursing home for long-term care, his/her spouse who remains at home ("community spouse") is able to keep their shared home and 50% of the couple's remaining assets up to a federally established maximum (\$128,640 for 2020). S.B. 81 would allow the community spouse to keep 100% of remaining assets up to the federal maximum.

When community spouses are required to "spend down" their assets to reach a maximum threshold, they lose their personal rainy day fund and are not as well equipped to address any future needs that may arise. Allowing community spouses to keep these assets provides them with the financial cushion they need to take care of themselves in the community and plan for their own future care and well-being. Medicaid long-term services and supports are not only for

older residents; a majority of beneficiaries are under the age of 65,¹ and their community spouses may need to save and plan for several decades. AARP supports S.B. 81 and the increased stability it would bring for community spouses.

S.B. No. 83 AN ACT REDUCING PARTICIPANT COSTS AND EXPANDING ELIGIBILITY FOR THE CONNECTICUT HOME-CARE PROGRAM FOR THE ELDERLY

The Connecticut Home Care Program for Elders provides essential medical and non-medical support services to older residents in their homes. These services include visiting nurses, home delivered meals, assistance with chores, and care management. While CHCPE has a clear and direct benefit for individuals who receive services through the program, it also helps Connecticut's 460,000 family caregivers, many of whom are juggling full-time work, taking care of children, and providing help for their aging loved ones.

The state-funded portion of CHCPE does not place limits on participant income, but it does place a cap on assets. Raising the asset limit and making this program accessible to more individuals will help keep seniors in their homes and avoid nursing home placement, which comes at a much higher cost to the state.

H.B. 5095 AN ACT ESTABLISHING A TASK FORCE TO STUDY A CONSERVED PERSON'S RIGHT TO INTERACT WITH OTHERS

AARP believes people should be able to choose how they live as they age, and this includes giving people adequate choices related to their interactions with other people. Conservators are required to carry out their duties using the "least restrictive means of intervention," but individuals with disabilities and older nursing home residents have, for a few years now, raised concerns to this committee about their right to private and unrestricted communication. These concerns warrant additional discussion and consideration of whether or not conserved persons are able to see and communication with people of their choosing.

There is a growing body of evidence showing "that being socially connected significantly reduces risk for premature mortality, and lacking social connection significantly increases risk, even more than the risks associated with many factors that currently receive substantial public health attention and resources."² Conservators have a duty to promote "social interactions and meaningful relationships between the conserved person and other individuals that are consistent with the conserved person's preferences,"³ and AARP Connecticut supports the creation of a task force to ensure that the rights of conserved persons are being adequately protected.

H.B. 5096 AN ACT EXPANDING ELIGIBILITY FOR THE ALZHEIMER'S DISEASE RESPITE PROGRAM

On average, a person with Alzheimer's disease lives 4 to 8 years after diagnosis.⁴ With proper support, many people with Alzheimer's and related dementias are able to continuing living at

¹ Truven Health Analytics for The Centers for Medicare and Medicaid (2017) <https://www.medicaid.gov/sites/default/files/2019-12/tss-beneficiaries-2013.pdf>

² Julianne Holt-Lunstad, PhD, The Potential Public Health Relevance of Social Isolation and Loneliness: Prevalence, Epidemiology, and Risk Factors, *Public Policy & Aging Report*, Volume 27, Issue 4, 2017, Pages 127–130, <https://doi.org/10.1093/ppar/prx030>

³ Connecticut Standards of Practice for Conservators (2018)

⁴ Alzheimer's Association <https://www.alz.org/alzheimers-dementia/stages>

home during this time. Unpaid family caregivers are crucial to providing this long-term care, which can be a source of financial, emotional, and physical stress. Programs like the Statewide Respite Care Program provide much-needed relief to the family caregivers who take care of their loved ones at home. AARP Connecticut strongly supports the respite program and would like for it to be available to as many people as possible; however, without a corresponding increase in funding, expanded eligibility would result in reduced services. We support passage of H.B. 5096 as long as there is sufficient funding available to maintain the current level of services.

H.B. 5097 AN ACT INCREASING FINANCIAL ASSISTANCE FOR GRANDPARENTS AND OTHER NONPARENT RELATIVES RAISING NEEDY CHILDREN

Nearly 50,000 Connecticut children live in households headed by grandparents.⁵ Grandparents play an important role in the well-being of their families and take on the financial responsibility for their grandchildren's basic needs, even though 22% of grandparent caregivers live in poverty and 49% live at or just above the poverty line.⁶ H.B. 5097 would allow a child's nonparent caretaker relative and legal guardian receive 75% of the prevailing monthly foster care rate paid by the Connecticut Department of Children and Families. AARP supports this effort to reduce the disparity between benefits paid to grandparents and those paid to non-relative foster parents.

H.B. 5098 AN ACT RAISING THE PERSONAL NEEDS ALLOWANCE FOR CERTAIN RESIDENTS OF LONG-TERM CARE INSTITUTIONS

This bill proposes increasing the personal needs allowance of long-term care facility residents from \$60 to \$72 per month. Residents of long-term care facilities use their personal needs allowance to pay for snacks, haircuts, stationary, gifts, and the sorts of small, personal items that bring comfort, maintain social connections, and promote a sense of normalcy.

Prior to 2011, Connecticut's personal needs allowance was indexed to reflect annual inflation adjustments to social security income, and had reached \$69 per month by FY 10. PA 11-44 reduced the personal needs allowance to \$60 and eliminated regular adjustments moving forward. Since 2011, there has been no increase to the personal needs allowance. AARP Connecticut believes that increasing the personal needs allowance will allow institutionalized individuals to better meet their personal needs and maintain a level of independence and dignity.

H.B. 5099 AN ACT CONCERNING AN INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS

At a median cost of nearly \$167,000 per year for a private room, Connecticut has the second most expensive nursing home care in the nation.⁷ A person turning 65 today has an almost 70% chance of needing some form of long-term care during their remaining years, and while much of

⁵ AARP, The Brookdale Foundation Group, Casey Family Programs, Child Welfare League of America, Children's Defense Fund, and Generations United <https://www.aarp.org/content/dam/aarp/relationships/friends-family/grandfacts/grandfacts-connecticut.pdf>

⁶ Pew Research Center (2013) <http://www.pewsocialtrends.org/2013/09/04/grandparents-living-with-or-serving-as-primary-caregivers-for-their-grandchildren/>

⁷ Genworth (2019) <https://pro.genworth.com/rriiproweb/productinfo/pdf/282102.pdf>

this care comes in the form of informal, unpaid care from friends and relatives, some people require a more intensive level of care. 1 in 4 people over the age of 65 will eventually have more than \$50,000 in out-of-pocket long-term care expenses.⁸

Like with most forms of insurance, people who purchase long-term care insurance do so with the hope that they will never need to use it. Long-term care insurance is prohibitively expensive for most people, and those who do hold long-term care insurance face high hikes in their premiums from year to year. AARP regularly hears from policy holders who have maintained long-term care insurance for years, but because they see almost yearly rate hikes, they are thinking about dropping their policy just as it becomes most likely that they will need to use it.

By offering an income tax deduction for long-term care insurance premiums, H.B. 5099 would incentivize consumers to purchase long-term care insurance and would provide relief for individuals who have been paying into policies for many years but who are feeling the pinch of ever-increasing premiums. Many of the policy holders we hear from are thinking about dropping their policy because of the cost. In the absence of long-term care insurance, many individuals eventually rely on Medicaid to pay for their long-term care; Medicaid is the primary payer of long-term care expenses in the country.⁹

While AARP supports H.B. 5099, we believe that efforts to incentive long-term care insurance should be paired with stronger consumer protections for policy holders, many of whom have fixed incomes and could easily be taken advantage of if premiums increase sharply from year to year.

⁸ U.S. Department of Health and Human Services <https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html>

⁹ Kaiser Family Foundation <https://www.kff.org/infographic/medicaids-role-in-nursing-home-care/>