



Aging Committee Public Hearing, February 23, 2021  
Testimony of Anna Doroghazi, AARP Connecticut, regarding:

- **H.B. 6456 AN ACT ESTABLISHING A TASK FORCE TO PROTECT SENIOR CITIZENS FROM FRAUD** – Conditional Support
  - **H.B. No. 6457 AN ACT CONCERNING NURSING HOME SERVICES** - Comments
  - **S.B. No. 896 AN ACT CONCERNING LONG-TERM CARE SERVICES** – Comments
  - **S.B. 418 AN ACT INCREASING THE PERSONAL NEEDS ALLOWANCE FOR CERTAIN LONG-TERM CARE FACILITY RESIDENTS AND AUTHORIZING A DEDUCTION FOR CONSERVATOR EXPENSES FROM THE AMOUNT OF INCOME A MEDICAID RECIPIENT APPLIES TO THE COST OF CARE** – Support Sections 1 and 2
  - **S.B. 897 AN ACT CONCERNING AN INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS** - Support
  - **S.B. 900 AN ACT INCREASING FUNDING FOR AGING IN PLACE INITIATIVES** - Support

Senator Slap, Representative Phipps, and Members of the Aging Committee:

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. Thank you for the opportunity to share our comments.

**H.B. 6456 AN ACT ESTABLISHING A TASK FORCE TO PROTECT SENIOR CITIZENS FROM FRAUD**  
– Conditional Support

Medicaid planning is incredibly complicated, and many individuals who need planning services are not sure where they can find reliable information to guide their decisions. H.B. 6456 proposes a task force to study ways to protect seniors from fraud, including whether or not elder law attorneys should be the only people who are able to offer Medicaid planning advice.

It is important to protect senior citizens from fraud, and while we support the general concept of this bill, we have concerns about the proposed study including an inquiry into whether or not “persons offering planning advice to Medicaid applicants should be required to be elder law attorneys.” Our specific concerns are that:

- Not everyone who needs Medicaid planning advice is a senior. 44% of adults who need long-term services and supports are between the ages of 18 and 64,<sup>1</sup> and many of these individuals would benefit from Medicaid planning.
- Elder law attorneys can be a good source of information and guidance, but they are not the only reputable source of Medicaid planning assistance. Community organizations such as Area Agencies on Aging can also provide objective assistance to individuals and families who need to prepare a Medicaid application.

There is a clear need to protect Medicaid applicants from planning agencies that are affiliated with institutions that stand to profit from an individual’s planning decisions. Medicaid applicants should receive planning services from a non-biased third party. This third party could be an elder law attorney, but it doesn’t not necessarily have to be. Seniors and other potential Medicaid applicants would benefit from

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<sup>1</sup> <https://www.aarp.org/content/dam/aarp/ppi/2019/08/long-term-services-and-supports.doi.10.26419-2Fppi.00079.001.pdf>

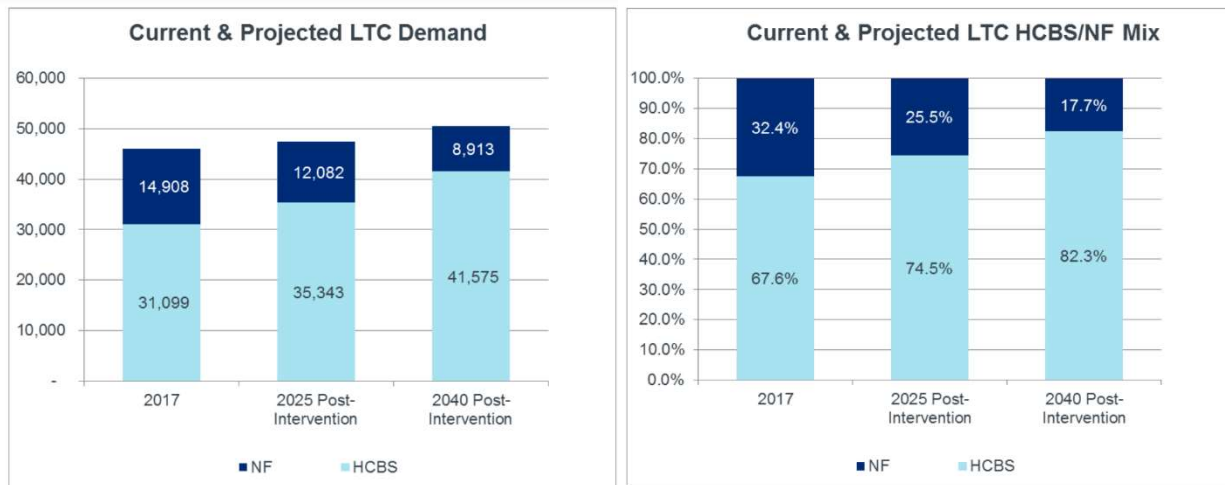
better access to neutral, knowledgeable planners, but we would like to see the bill language amended to reflect a broader range of people who need Medicaid planning services and entities who provide those services.

**H.B. No. 6457 AN ACT CONCERNING NURSING HOME SERVICES**  
**S.B. No. 896 AN ACT CONCERNING LONG-TERM CARE SERVICES**

H.B. 6457 and S.B. 896 both look at the important issue of whether or not Connecticut is prepared for a rapidly aging population and whether or not we will have the capacity to provide needed care in the future. AARP Connecticut believes that it is critical for the state to focus on preparing for the projected long-term care needs of the next ten, 20, and 50 years, but we would like to suggest that both of these bills are unnecessary at this time.

In July of 2019, Mercer released a report that it conducted on behalf of the State of Connecticut entitled “State of Connecticut Medicaid Long Term Care Demand Projections.” According to this report, demand for long-term care is projected to grow in the next 20 years, but the demand for nursing facilities will continue to decline as demand for home and community-based services continues to increase. The two charts below, which were copied from the report, illustrate these findings. The full report is available here: <https://portal.ct.gov/-/media/Departments-and-Agencies/DSS/Health-and-Home-Care/Medicaid-Long-Term-Care-Demand-Projections/Main-report--CT-LTC-Demand-Report-Narrative.pdf>

H.B. 6457 also asks whether any programmatic or legislative changes are needed to better serve adults in need of institutionalized care. This is a critical question but one that we believe was adequately answered by the legislature’s recently convened Nursing Home and Assisted Living Oversight Working Group.



In the charts above: LTC = Long Term Care, HCBS = Home and Community Based Services, NF = Nursing Facility

**S.B. 418 AN ACT INCREASING THE PERSONAL NEEDS ALLOWANCE FOR CERTAIN LONG-TERM CARE FACILITY RESIDENTS AND AUTHORIZING A DEDUCTION FOR CONSERVATOR EXPENSES FROM THE AMOUNT OF INCOME A MEDICAID RECIPIENT APPLIES TO THE COST OF CARE – Support Sections 1 and 2**

This bill proposes increasing the personal needs allowance of long-term care facility residents from \$60 to \$72.75 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 2010. 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 nursing home residents to better meet their personal needs and maintain a level of independence and dignity.

### **S.B. 897 AN ACT CONCERNING AN INCOME TAX DEDUCTION FOR LONG-TERM CARE INSURANCE PREMIUMS - Support**

At a median cost of approximately \$167,000 per year for a private room, Connecticut has the second most expensive nursing home care in the nation.<sup>2</sup> A person turning 65 today has an almost 70% chance of needing some form of long-term care during their remaining years,<sup>3</sup> and while much of this care comes in the form of informal, unpaid care from friends and relatives, some people require a more intensive level of care. Seventy percent of adults who survive to age 65 develop severe LTSS needs before they die and 48 percent receive some paid long-term supports and services over their lifetime.<sup>4</sup>

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, S.B. 897 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.<sup>5</sup>

While AARP supports S.B. 897, 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 continue to increase sharply from year to year.

### **S.B. 900 AN ACT INCREASING FUNDING FOR AGING IN PLACE INITIATIVES - Support**

AARP CT supports S.B. 900, which would appropriate \$2 million to the Department of Social Services to expand access to the Connecticut Home Care Program for Elders (CHCPE) and \$1 million to the Department of Aging and Disability Services to expand the Alzheimer's Respite Program. AARP strongly supports additional appropriations for these programs, which help older Connecticut residents age safely in their homes and provide valuable support to family caregivers.

According to AARP's 2018 Home and Community Preferences Survey, 76% of Americans age 50 and older want to remain in their current home as long as possible, and 77% want to live in their current community.<sup>6</sup> Programs like CHCPE and the Alzheimer's Respite Program make this possible, and they are significantly less expensive than providing care in an institutional setting. 72% of long-term supports and services in the U.S. are paid through Medicaid or other public funding sources,<sup>7</sup> and making these

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<sup>2</sup> Genworth (2019) <https://pro.genworth.com/riiproweb/productinfo/pdf/282102.pdf>

<sup>3</sup> U.S. Department of Health and Human Services <https://longtermcare.acl.gov/the-basics/how-much-care-will-you-need.html>

<sup>4</sup> U.S. Department of Health and Human Services <https://aspe.hhs.gov/basic-report/what-lifetime-risk-needing-and-receiving-long-term-services-and-supports>

<sup>5</sup> Kaiser Family Foundation <https://www.kff.org/infographic/medicaids-role-in-nursing-home-care/>

<sup>6</sup> Binette, Joanne and Kerri Vasold. 2018 *Home and Community Preferences: A National Survey of Adults Age 18-Plus*. Washington, DC: AARP Research, August 2018. <https://doi.org/10.26419/res.00231.001>

<sup>7</sup> <https://www.kff.org/medicaid/report/medicaid-and-long-term-services-and-supports-a-primer/>

services available in home and community settings will be critical as our state's aging population continues to expand.

The Connecticut Home Care Program for Elders provides essential medical and non-medical support services to older residents in their homes. CHCPE provides visiting nurses, home delivered meals, and assistance with chores. In 2017, a monthly average of 2,922 clients were served through the state-funded portion of CHCPE at a monthly client cost of \$771.<sup>8</sup> The Alzheimer's Respite Program provides short-term respite care to loved ones who care for people with Alzheimer's and related dementias. In SFY 2018, the program received \$1.8 million in state funding and served 653 individuals.

In addition to helping the individuals who receive services, these programs also help 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. When individuals are able to have some of their needs met through CHCPE or the Alzheimer's Respite Program, family caregivers are able to juggle fewer tasks, take much-needed breaks, and care for themselves. AARP supports S.B. 900 and hopes that the state will prioritize investments that help people age in place and prevent the need for more expensive care in institutional settings.

Thank you for the opportunity to share our support for these bills. If you have any questions regarding AARP's positions, please contact: [adoroghazi@aarp.org](mailto:adoroghazi@aarp.org)

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<sup>8</sup> <https://portal.ct.gov/-/media/Departments-and-Agencies/DSS/Reports/Annual-Reports/CHCPE-Annual-Report-SFY-2017.pdf>