

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: HB-6446

AN ACT CONCERNING THE GOVERNOR'S BUDGET RECOMMENDATIONS

Title: FOR HUMAN SERVICES.

Vote Date: 3/18/2021

Vote Action: Joint Favorable Substitute

PH Date: 3/4/2021

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill contains the Governor's budget recommendations for Human Services. The original bill eliminated the cost-of-living adjustments for recipients of certain state-funded programs, instituted an asset test under the Medicare Savings Program, and removed rate increases for boarding homes. The substitute language removes these provisions. The substitute language maintains, from the original bill, a technical amendment in Section 9, the implementation of prompt payment standards for health insurance companies, as well as a new acuity-based approach to reimburse Medicaid-funded nursing home care. The acuity-based model accounts for the level of care needed by each resident, rather than a one-size-fits-all approach. The substitute language amends the phase-in date of the acuity-based reimbursement to October 1st, 2021. This allows extended time for the implementation of the new model.

RESPONSE FROM ADMINISTRATION/AGENCY:

Deidre Gifford, Commissioner, Department of Social Services, comments on the projected savings for the state for each of the proposals within the bill. Commissioner Gifford comments that in Section 3, the asset test would double the federal minimum, and therefore "at a level that is more generous than asset tests utilized by most states." She explains that the purpose of Section 4 is to impose a time period for health insurance companies to respond to services or equipment covered under HUSKY health to "limit the state's exposure to unforeseen and unbudgeted costs." Section 5, 6, 8 through eliminating rate increases over the biennium, a projected savings of \$2.0 million in SFY 2022 and \$4.1 million in SFY 2023.

Commissioner Gifford supports section 7 as the pandemic has increased the urgency of the Department's longstanding plan to transition to an acuity-based model for reimbursement.

Melissa McCaw, Secretary, Office of Policy and Management supports this bill. Secretary McCaw comments that the asset test will help to target benefits to individuals that need them most. The asset test will be double the federal minimum, aligning with our neighboring state of Massachusetts. She notes that after factoring in administrative costs, this proposal will result in a net savings of \$26.6 million for the state in FY 2023. Secretary McCaw explains the importance of updating to an acuity-based reimbursement model which will "help to promote access and improve care, particularly for those with more complex care needs." She also notes that an acuity-based reimbursement will better enable policymakers to achieve the goals of the Nursing Home and Assisted Living Oversight Working Group.

NATURE AND SOURCES OF SUPPORT:

Karen Siegel, Director of Policy, Health Equity Solutions supports the bill's inclusion of a Medicaid obstetrics bundle to advance equity in birth outcomes. However, she expressed concern about systemic inequities which need to be addressed. She urges policymakers to "remedy the exclusion of policies to address inequities exacerbated by the wide-reaching effects of the pandemic." Health Equity Solutions believes Connecticut should expand the state's HUSKY programs to address health inequities. Ms. Siegel emphasizes the importance of creating an equitable state budget that intentionally addresses structural racism.

NATURE AND SOURCES OF OPPOSITION:

10 Administrators/Owners of various residential care homes oppose Section 8 of this bill, which would establish a rate cap on residential care homes. They express the urgent need for a rate increase for residential care homes throughout the state. Rates have been frozen for years while costs have significantly increased, making it a challenge to operate. They all emphasize the immense difficulty of paying their employees a fair wage, as well as retaining, and recruiting new employees. Throughout the COVID-19 pandemic, residential care homes did not receive federal funding to fairly compensate employees for risking their lives daily.

12 individuals, as well as The Connecticut Hospital Association and the Universal Health Care Foundation of CT oppose Section 3 of this bill which institutes an asset test for the Medicare Savings Program. By imposing an asset test many lower-income elderly and disabled individuals will become restricted from the program, forced to make difficult choices about how to spend their limited income, and possibly have to forego necessary medical assistance. Many testifiers noted that individuals will have difficulty obtaining verification requirements because the process is not comprehensible to many of the potential applicants. This will create confusion and anxiety and reduce participation in the program even among individuals who might qualify for the program under the new asset test. By reducing access to and use of essential healthcare services, this bill puts the health of many older adults at risk and may result in increased hospitalization and institutional placement. They all note the enormous administrative burden, and therefore potential costs, this bill places on DSS. Ms. Allen and Ms. Doroghazi comment that asset tests discourage savings and keep people in financial hardship.

9 additional people oppose Section 3 of this bill as it will strip away a vital safety net for individuals no longer eligible for the Medicare Saving Program. They express their personal fear of having to choose between life-saving care/medication and their basic needs. Reducing the number of people eligible for the Medicare Savings program will make those most vulnerable sicker and poorer. A few testifiers note that many low-income elders have sacrificed to save for emergencies and note that an asset test penalizes individuals for hard-earned savings.

Matt Barrett, President & CEO, CT Association of Health Care Facilities and CT Center for Assisted Living

Mag Morelli, President, LeadingAge Connecticut

They oppose section 7 of the bill. They are supportive of a transition to a cost-based acuity payment system, but only if it is adequately funded and not based upon budget neutrality. Since the proposed budget lacks these two vital components, CAHCF fears “that many quality nursing homes may be negatively affected by a reduction in their rates and others will not receive the funding necessary to cover the cost of caring for higher acuity residents.” Therefore, they request a delay in this transition to ensure success. Mr. Barrett emphasizes the importance of using the most current post-COVID data in acuity-based rate setting to improve quality, adequacy of staffing, and resident outcomes.

Thomas Burr, Community and Affiliates Relations Manager, NAMI Connecticut

Sheldon Toubman, Attorney, New Haven Legal Assistance Association

Alison Weir, Policy Advocate, Greater Hartford Legal Aid

Kathy Flaherty, Executive Director, CT Legal Rights Project

Stephen Wanczyk-Karp, National Association of Social Workers, CT Chapter

They oppose sections 1 and 2 of the bill. When Cost-of-Living Adjustments (COLA's) are not funded, the buying power of the benefits erodes, as well as the ability of the recipients to meet their basic needs. It reinforces and exacerbates income inequities in the state by pushing the state's poorest members deeper into poverty. Mr. Burr also opposes the proposed Additional Quantity Limits for Medical Equipment and Supplies under Medicaid, because stricter access will make it harder for individuals to obtain essential supplies.

Universal Health Care Foundation of CT

Elizabeth Fraser, Policy Director, The Connecticut Association for Human Services,

They both oppose this bill and urge several amendments. They request an increase in HUSKY A parent/caregiver and HUSKY D income eligibility limits to 201% of the Federal Poverty Line and expanded access to HUSKY programs for all income-eligible immigrants regardless of status. Ms. Fraser requests increased funding to the CT Diaper Bank, expanded prenatal and post-partum care, and increased eligibility time limits for TFA. She

also opposes the proposed hold on programs' COLA. They believe these amendments address the pressing needs of citizens severely impacted by the pandemic.

Ann Wilson, Client Services Manager, Companions & Homemakers

Tracy Wodatch, President and CEO, Connecticut Association for Healthcare at Home

Mag Morelli, President, LeadingAge Connecticut

They urge the committee to increase the Medicaid reimbursement rate for home care. Home care services are extremely desired and cost-effective for the state. Increases in reimbursement rates have lagged over the past years, making it unsustainable for many agencies to continue providing services. Without a meaningful increase in reimbursement rates, some will need to close or will discontinue accepting Medicaid clients. As a result, many people will need to receive institutional care, dramatically increasing the state's expenditures, and limiting access to desirable, low-cost home care. Ms. Wodatch emphasized the need for specific attention to continuous skilled nursing for medically fragile children and adults and Medicaid social work coverage.

Laura Hoch, Senior Manager of Advocacy, National MS Society is concerned about Section 3 of this bill, and the devastating affects it will have on people living with Multiple Sclerosis. Many adults living with MS have assets from prior employment, and could therefore be disqualified completely or moved to a tier with fewer benefits. The extremely high cost per year in medications and treatment is insurmountable for many and losing coverage would have an impact on their physical and emotional health. The process of providing supporting documentation will also be a major deterrent and hurdle for many.

Ben Shaiken, Manager of Advocacy & Public Policy, The Alliance opposes this bill. Specifically, The Alliance is in opposition to the rate freeze proposed for Intermediate Care Facilities for Individuals with Intellectual Disabilities. They emphasize a need for an increase in funding for community nonprofits to compensate for the funding lost since 2007.

Reported by: Gianna Vollano

Date: April 1, 2021