

Aging Committee JOINT FAVORABLE REPORT

Bill No.: SB-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

Title: INCOME A MEDICAID RECIPIENT APPLIES TO THE COST OF CARE.

Vote Date: 3/2/2021

Vote Action: Joint Favorable Substitute

PH Date: 2/23/2021

File No.:

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SPONSORS OF BILL:

Aging Committee

REASONS FOR BILL:

Currently the personal needs allowance for Medicaid patients is \$60 per month. This monthly allowance has remained the same since 2011. This bill would increase the monthly personal needs allowance to \$72 a month which would better the quality of life for these residents. In many cases the current personal needs allowance does not cover the bare necessities required by the residents. The bill will increase the amount of personal income a long-term facility resident may keep and authorize a deduction for conservator expenses from the amount of income a Medicaid recipient must apply toward the cost of their care.

RESPONSE FROM ADMINISTRATION/AGENCY:

Senator Paul Formica, Connecticut General Assembly: His testimony was offered in support of this legislation. The personal needs allowance has not changed since 2011 when it was reduced from \$69 to \$60 and the cost of living adjustment indexing was eliminated. He believes that this is about the quality of life of someone at their most vulnerable and it is time to provide relief to our long-term care facility residents.

Mairead Painter, Long-Term Care Ombudsman, Dept. of Aging and Disability Services: She supports this bill and points out that the legislature voted temporarily to decrease the resident's monthly personal needs allowance and eliminate the COLA. She acknowledges the current challenges faced by the state's financial state, but she asks the General Assembly to consider that residents have done their part and to increase the personal needs allowance to

\$72.50. She also supports the ability to deduct conservator expenses from the amount of income a Medicaid recipient applies to the cost of care. She understands that due to the reimbursement restrictions that many conservators who previously did this work are no longer taking on cases. It is important that the Probate Court has access to persons willing to serve as conservators.

Dept. of Social Services: They submitted testimony opposition to this proposal pointing out that the \$60 is above the average for the States in the Northeast and is \$30 above the federal minimum. Increasing the personal needs allowance would have a negative fiscal impact on the state budget. Also, Section 4 requires that DSS approve fees above the baseline amount if approved by the Probate Court. This would place additional administrative and fiscal burdens on DSS by requiring staff to recalculate a recipient's applied income at various times during the year. Finally, the bill would increase the percentage of costs the state would be liable to pay for nursing home services provided to a Medicaid recipient. We anticipate that this increase would result in a significant cost that is not provide for within the current budget.

Michael Werner, Attorney, The Commission on Women, Children, Seniors, Equity and Opportunity: They offered testimony in support of this bill. Medicaid patients in long-term care often have outside income, such as Social Security or pension, but Medicaid take most of the money to defray care costs, which leaves little to spend on personal items. Personal Needs Allowance also covers co-pays for prescriptions, clothing, adult diapers, a phone, or whatever else the recipient needs. This bill would increase the personal needs allowance from \$60 to \$72 a month.

Beverly Streit-Kefalas, Probate Court Administrator, Connecticut Probate Court: She submitted testimony in support of this proposal. The legislation will enable our state to begin receiving federal Medicaid reimbursement for monies expended in providing conservators for indigent conserved persons. Federal reimbursement will save the state and estimated \$885,000 annually. Our state looks to the Probate courts to find conservators for conserved persons who have no family or close friends and to pay for the services of the conservator when the conserved person is indigent. The annual expenditure was \$5.5 million in 2020 representing 12% of the system's annual expenses. Several states have already secured the necessary federal approval to implement this structure, including Massachusetts, Rhode Island and Vermont.

NATURE AND SOURCES OF SUPPORT:

Mag Morelli, President, LeadingAge Connecticut: Her testimony is in support of this bill with some qualifications. Section 1 of the bill would increase the Personal Needs Allowance for nursing home residents from \$60 to \$72 and they are supportive. The PNA can enhance a person's quality of life as a resident of a nursing home. They are concerned about Section 2 of the bill because it is unclear how the deduction would be funded, and we would object if the intent is to reduce the total amount paid to the nursing home by the amount of the deduction. It may be that the intent is to have the Medicaid payment to the nursing home increase by the amount of the applied income deduction, which would make the nursing home payment whole. They request that clear assurances be placed in the language of the bill that the deduction from the applied income calculation will not reduce payments to the nursing home.

Joelen Gates, Attorney, Connecticut Legal Services, Willimantic: They submitted testimony in support of Section 1&2, Conditional Support of Section 3 and no comment on Section 4&5. They believe that the Personal Needs Allowance be increased from \$60 to \$72. Section 3 of the bill would require the DSS to seek federal approval to amend the state Medicaid plan to allow deduction from the income of conserved nursing home residents. While they don't object to this concept it is important that deductions for probate court fees and expenses be deducted only after the other currently permissible federal deductions. Nursing home residents are required to pay all their income towards the cost of their care in the nursing home except for a personal needs allowance, for residents with a minor child, a family allowance, for married residents, unpaid medical expenses and a community allowance to maintain a home if the resident is expected to return home within 6 months. If the conserved nursing home resident has an income remaining after deducting these expenses, the probate court fees could be deducted.

Anna Doroghazi, AARP Connecticut: Their comments were in support of Sections 1 & 2. They point out that since 2011 when the Personal Needs Allowance was reduced to \$60 by the legislature there has been no changes made. They believe that increasing the level to \$72 would help nursing home residents to maintain a level of independence and dignity.

Matt Barrett, President and CEO, Connecticut Assoc. of Health Care Facilities: They are in support of Section 1 & 2 of this bill in that it would provide a long-time overdue increase of the nursing home resident personal needs allowance. Section 3 of the bill alters the applied income arrangement by requiring that a deduction of the conservation expenses be deducted from the applied income amount. The effect of these deductions would be to reduce the amount of applied income going toward the cost of nursing home care for Medicaid recipients. To assure that the Medicaid payment to the nursing home is increased as the applied income is reduced which is the apparent intended outcome of the bill, they request that the language be amended as follows (on line 36) after "are permissible under federal law." be added "Whenever such conservator fees and other expenses are deducted from the applied income, the Medicaid payment to the nursing home shall be increased in an amount equal to the reduced applied income."

Patty Bausch, Newtown Rehabilitation Center: She submitted testimony in support of this bill. She believes the Personal Needs Allowance should be increased from \$60 to \$72 a month.

Deb Arel, Resident Council Board at Branford Hills Health Care Center: They submitted testimony in favor of this proposal. While the increase is not much it would make a difference for their dignity and quality of life.

James Young, Attorney, The Connecticut Chapter' The National Academy of Elder Law Attorneys: His testimony was in support of this legislation. He points out that the Connecticut rate was set in 1998 at \$50 and it rose to \$69 in 2011 when it was reduced to \$60, additionally the COLA was eliminated at the same time. We know that the cost of living has increased significantly since that time. He advises that it appears that approximately 15 states have PNA amounts higher than Connecticut. He believes that if this bill were enacted the burden to the state would be insignificant but that it would mean a lot to the thousands of persons living in nursing homes.

NATURE AND SOURCES OF OPPOSITION:

Jeryl Gray, Constituent, Stratford Connecticut: The testimony submitted by were in opposition to this bill. His comments did not touch on Sections 1 or 2. Her comments were directed toward Section 3 and 4 that concerned the Connecticut Probate Court System which she does not hold in high regard. She is opposed to "any direction of action that would serve to increase any of the powers of what he sees as the already grossly over-powered, above-the-law Connecticut Probate Court System, a system which may be better characterized as being a rampantly corrupt, self-servicing, predatory, rapacious, human trafficking racketeering enterprise."

Reported by: Richard Ferrari, Assistant Clerk
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Date: 3/12/21