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Testimony of Sheldon Toubman before the Appropriations Committee

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My name is Sheldon Toubman and I am an attorney in the benefits and elder law units of New Haven Legal Assistance Association. I am submitting this testimony in opposition to three proposed cuts to DSS in the Governor's proposed budget: the imposition of asset tests for the Medicare Savings Programs, the taking away of the COLA for public benefit recipients and imposition of additional quantity limits on medical equipment and supplies under Medicaid. If necessary to prevent these harmful cuts, we in legal services also support reasonable new revenue options to balance the budget.

Oppose: Cuts to Cost of Living Adjustments for TFA, SAGA and AABD

First, I urge the legislature to include in the budget for the FY 2022-23 biennium funding for the cost of living adjustments (COLA) for Temporary Family Assistance (TFA), State Administered General Assistance (SAGA), and State Supplemental Assistance for the Aged, Blind, and Disabled ("State Supp.", also known as "AABD"), as is currently provided for by state law. Connecticut General Statutes §17b-104 and §17b-106 require an adjustment to the maximum benefit levels for TFA and SAGA and State Supp. consistent with the Consumer Price Index for Urban Populations (CPI-U), which reflects the increase in the cost of goods over the year. The statute provides a basic protection for beneficiaries, designed to stabilize the buying power of these programs, and not have recipients slip even **deeper** into poverty. Yet, over the last 12 years, the COLA has been funded only twice for TFA and SAGA, and **only five times in 32 years** for State Supplement, with the statutes affirmatively amended each year to deprive the lowest income CT residents of this small adjustment.

It is a long-standing pattern of many years for governors of both parties not to fund the adjustment, citing other pressing state needs. Yet, this money is used to address the most pressing needs of those people who receive it. For some recipients, this cash assistance is the only cash they receive, and it is used to pay for basic needs like rent and food.

Each year that the choice is made not to fund the COLA, our fellow residents suffer the compounded impact from years of our failure to apply existing state law. When the COLA is not funded, the buying power of the benefits erodes, and with it the ability of these recipients to meet their basic needs. This is problematic in any event but especially during a pandemic.

I urge the legislature to fund the COLA, and to end the annual erosion of these benefits on which so many people rely. This will help to stabilize our fellow residents who have been slipping deeper and deeper into poverty with each year the COLA has gone unfunded.

Oppose: Imposing an Asset Test on the Medicare Savings Programs

The Governor's budget proposal calls for instituting an asset test for all three Medicare Savings Programs (MSP). These programs are a lifeline for lower income elderly and disabled individuals who cannot afford the premiums and other cost-sharing under Medicare, but have incomes too high to qualify for Medicaid. Currently, there is no asset test for any of these programs and so there is no need, at annual redetermination, for the individual to obtain and submit, and for DSS workers to manually and laboriously review, detailed information about bank accounts, automobiles, etc.

The proposed asset limit is \$15,720 for individuals and \$23,600 for couples. This may seem like a reasonable test, and in fact the vast majority of our elderly and disabled legal services clients do not have countable assets over these amounts. But the problem is that merely ascertaining that they meet this test to get on benefits, and doing so every year at redetermination, as required under the Governor's proposal, will take a tremendous amount of effort on both sides.

It will place an unreasonable burden on our clients who will now be required to produce documentation that may not be readily accessible. Current statements are needed for all bank accounts, if there is more than one car it must be assessed as to value with information provided about condition, any stock ownership must be reported and value ascertained, and life insurance policies must be reviewed for any cash surrender value. Increasingly, individuals are directed to obtain such verification via automated computer systems, and yet elderly and disabled individuals, the only ones eligible for MSP, have the least facility with using those systems, so they have to resort to the various call centers for banks, etc. Getting such documentation was already a serious problem even before the pandemic.

I know from my experience representing low income clients for the few other programs for which asset tests are (or were) applied that these seemingly simple verifications often take weeks, with the result that access to essential benefits are denied or even terminated waiting to get that verification. Some clients who have no one to help them with these tasks just give up and never get on, or back on, benefits.

And the proposal ignores the major administrative costs of having DSS workers manually review and process all of this asset information. Unlike many other aspects of eligibility, asset determinations cannot be automated. Under this proposal, already besieged workers would now have new responsibilities to check assets for all **205,000** MSP enrollees annually and for all new MSP applicants. Unless the administration intends massive new hiring for DSS, this inevitably will mean slower processing for all

beneficiaries under all DSS benefits programs, and longer waits for the already difficult to-access call center.

It appears to be true that CT is one of only nine states which do not apply an asset test to the MSP programs. But, in general, there is an increasing recognition of the very high administrative costs of applying any asset tests, which in the end do not officially disqualify that many individuals but **do** effectively result in denied benefits for eligible individuals because of administrative obstacles. Thus, as with the Medicaid expansion under the Affordable Care Act (known as HUSKY D in CT), under which asset tests are prohibited, it is unwise to impose on the MSP any asset test, with its attendant substantial disruption to already burdened processing at the agency.

Oppose: Additional Medicaid Quantity Limits for Medical Equipment and Supplies

The Governor's budget proposal also includes, under the heading "Achieve Savings through Payment Adjustments and Administrative Efficiencies": "*implementing quantity limits on medical equipment devices and supplies.*" It cannot be ascertained from the budget document exactly how much is proposed to be saved by this proposal, since other "efficiencies" are identified together which are collectively projected to save \$2,590,000/\$2,870,000. However, to whatever degree money is projected to be saved by these quantity limits, the proposal will in the end harm low income Medicaid enrollees who can least afford the consequences.

DSS already applies quantity limits to some supplies, with harmful results: although individuals who need more than the specified amounts are theoretically able to get more than this amount if they have a provider submit a formal request for prior authorization to support their individual need, the reality is that providers are disinclined to bother doing this, with the result that **the quantity limit often effectively becomes a hard cap barring them from access to needed supplies.** This includes incontinence supplies and catheter and ostomy supplies. And if there is an infection due to inadequate supplies, a hospitalization is likely to result, with the extra hospitalization costs far exceeding whatever was saved by restricting access to these essential supplies. We should not make this problem worse by imposing new quantity limits.

Finally, we understand that, despite the current surplus, the legislature may be facing a deficit for the upcoming fiscal years due to the economic consequences of the pandemic, and that it may feel pressure to make cuts such as these to balance the budget. In that event, if necessary to prevent cuts to low income Connecticut residents, we support reasonable revenue options asking well-off residents to pay a little more, such as provided in the revenue proposals put forth by CT Voices for Children as a far better approach.