



**AARP New York**

**Testimony before the Joint Legislative Budget Committee**

**Senate Finance and Assembly Ways and Means**

**Health/Medicaid**

**January 30, 2013**

**Legislative Office Building, Hearing Room B**

**Albany, New York**

## Introduction

Good afternoon Senator DeFrancisco, Assemblyman Farrell, and members of the committee. My name is Derrick Holmes. I am an AARP member, and I serve as a volunteer leader in the Capital District. With me today is Lindsey Etringer, AARP Coordinator for Advocacy. AARP is a membership organization with over 2.5 million members in New York State. I would like to thank you for allowing us to speak today about AARP's views on the Executive's Health and Medicaid Budget Proposal.

Before I begin my testimony, I would like to offer on behalf of AARP members in New York our sincere thanks to the legislature for restoring the EPIC co-payment assistance that took effect January 1<sup>st</sup> of this year. It is our understanding that EPIC is fully funded for the entirety of this year, keeping in place the legislature's restoration of funds after last year's cut was implemented. We have heard from our members who have concerns about prescription affordability that EPIC is crucial to enabling them to afford the prescriptions they need in order to maintain their health and effectively manage complex medical conditions. Thank you for making EPIC a priority.

Today, I would like to focus my remarks on three basic areas that are priorities for our membership: Medicaid, Caregiving and Managed Long-Term Care.

### **Medicaid – Expansion to Single Adults**

AARP believes everyone should have access to affordable health care. Under the Affordable Care Act, states can help hard-working people who have lost their health insurance or who do not have coverage to get Medicaid health coverage by expanding Medicaid eligibility.

This issue is particularly important to AARP because many individuals who are over age 50 are not yet eligible for Medicare and are without coverage. These middle-aged adults are more likely to face the onset of health conditions that, if left untreated, could increase their need for and use of health care and long-term care down the road.

For hard-working New Yorkers who have paid all their lives and are struggling to make ends meet, having access to basic preventive health care can alleviate the need for costly emergency room care and delayed treatment. We've heard from our members who have had to return to work in these tough economic times, and unfortunately, many are employed part-time or are in jobs that do not offer health benefits.

AARP New York strongly supports the Governor's proposal to expand Medicaid eligibility from those at 100% of the Federal Poverty Level to include those up to 133% of the Federal Poverty Level.

AARP believes that expanding Medicaid to single adults will help more than 77,000

individuals in New York State, many of whom have lost their jobs or are struggling in jobs without health benefits but do not qualify for Medicaid under current income guidelines.

### **Medicaid – Caregiving**

AARP does not believe that New York State is making a meaningful investment in informal family caregivers. Our review of the Executive Budget found less than \$3 million in state funds that are specifically appropriated for direct assistance to informal family caregivers.

The New York State Office for the Aging (SOFA) estimates that over 80% of all long-term care is provided by family members, friends and neighbors. According to a recent report released by AARP's Public Policy Institute, there are over 4 million informal caregivers in New York State who provide direct care to people of all ages with disabilities. In this report, AARP estimates this care to be worth approximately \$32 billion in 2009 alone.

In addition, SOFA estimates that without the support of these unpaid caregivers, over 50% of older residents would likely be placed in institutional settings like nursing homes, sometimes miles away from their home, community and family members. In New York, families provide an estimated \$32 billion a year in services, yet the investment the state provides is less than \$3 million. In our opinion, this math does not add up well. New York's failure to adequately support informal caregivers needs to be addressed. These

programs provide people with the care they want while saving taxpayer money by keeping individuals out of significantly more expensive institutional care settings, most likely funded by the Medicaid program.

**Medicaid Long Term Care – Managed Long Term Care Ombudsman Program**

Recent polls commissioned by AARP show that the majority of New York State residents age 50 and over would prefer to receive long-term care services at home instead of going into a long-term care facility. The poll shows strong support for New York to manage and implement a consumer-focused long-term care system that helps our aging population to age in place.

We strongly believe in the delivery of effective, quality long-term care services, particularly as they enhance the ability of seniors to stay at home and in their communities while receiving those services and supports. Services must truly be person-centered and designed to maximize consumers' choice and independence.

With that said, AARP supports the Executive Budget's proposed expenditure of \$3 million to establish a managed long-term care ombudsman program. This investment will provide advocacy assistance for older New Yorkers and people with disabilities in New York's managed long-term care system. We recommend that the legislature accept this timely proposal as the state is beginning to implement mandatory Managed Long-Term Care for New York's Medicaid program.

### **Spousal Refusal - Medicaid Home Care**

The repeal of “spousal refusal” protections as they pertain to applications for Medicaid-funded home care services received in a community setting must be rejected. AARP agrees with many advocates that this protection is needed because income protections for Medicaid-funded community-based services, such as home care, do not have parity with the income protections for the “community spouse” that exist when individuals apply for Medicaid -funded nursing home care.

AARP believes New York’s “spousal refusal” provision eliminates the huge inequity that forces married couples to institutionalize a disabled spouse. The rules allow the community spouse of an institutionalized spouse to keep enough of the couple’s combined income and resources to realistically meet his or her living expenses - up to \$2841 in monthly income and between \$74,820 and \$109,560 in assets.

However, the same spouse who seeks to obtain Medicaid funds to care for a spouse at home must impoverish him or herself so the couple’s combined assets are \$20,850 and combined income is \$1,179 per month. These levels in many parts of the state are not adequate to live on. This creates pressure on the “well spouse” to institutionalize the disabled spouse as a purely financial decision. In many cases, the only alternative is divorce.

We strongly believe that the proposal to eliminate “spousal refusal” in the budget

should be rejected. We instead recommend that a statewide standard be instituted that is consistent with nursing home income protections that are in place for community spouses of nursing home care recipients.

AARP does support the separate proposal to extend certain “spousal impoverishment” protections to benefit married couples living in the community, where one spouse receives home care. This proposal, if approved by the federal government, would maintain a key feature of the Lombardi Long-Term Home Health Care Program which has long enabled infirm spouses to live at home with their spouse, rather than be forced into a nursing home for economic reasons. However, the couples that this change keeps out of poverty are different than those helped by the right of “spousal refusal.” Additionally, “spousal refusal” helps not only spouses, but families of children with disabilities whose parents would be forced to impoverish themselves to qualify their child for Medicaid-funded care.

### **Conclusion**

Thank you again for allowing AARP to testify today regarding these important budget issues. AARP believes that creating access to affordable health care will not only save taxpayer money in the long run, but will also give New Yorkers the ability to age with good health, independence and dignity.