

Human Services Committee

JOINT FAVORABLE REPORT

Bill No.: SB-981

AN ACT EXPANDING MEDICAID ELIGIBILITY FOR OLDER PERSONS AND

Title: PERSONS WITH DISABILITIES.

Vote Date: 3/14/2025

Vote Action: Joint Favorable

PH Date: 2/20/2025

File No.: 424

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Human Services Committee

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REASONS FOR BILL:

Adults with disabilities receive Social Security Supplemental Income (SSI) and CT-Medicaid through the Department of Social Services (DSS) based on their disability and/or low-income. A subset of these individuals is not eligible for Department of Developmental Services (DDS) assistance, so they are eligible for HUSKY C but are not on MedConnect or a Medicaid waiver. The income eligibility threshold for HUSKY C is \$1,338 per month. Many of these individuals will inevitably gain access to Social Security Disability Income (SSDI), referred to as Disabled Adult Child (DAC) benefits. When a parent retires or dies, the DAC gains access to half (retired) or three-quarters (death) of their parents' Social Security benefits. Each year, cost-of-living adjustments (COLA or COLAs) are made to account for basic cost of living increases. In either case, the addition of SSDI income and COLAs, increases the disabled person's overall income. This creates a benefits cliff, whereby disabled adults face losing Medicaid coverage, including participation in the Community First Choice program. This Medicaid program provides personal care assistance and mentoring for daily living activities, allowing individuals a sense of independence and the ability to participate in the community.

The federal legislature responded to this problem with the "Pickle Amendment." There are 42 states ("1634 states") that tie Medicaid eligibility to SSI eligibility. The "Pickle Amendment"

protects disabled adults when newly qualifying for SSDI on a parent's account, requiring the 1634 states to maintain those individual's Medicaid benefits even if they are no longer eligible under SSI. Connecticut is one of eight states that does not tie Medicaid eligibility to SSI eligibility, therefore, it is not bound by the "Pickle Amendment." These states ("209(b) states") can choose whether to disregard the new SSDI or COLA income, resulting in vulnerable disabled adults being terminated from all Medicaid benefits.

SB-981 aims to remedy this gap, preventing vulnerable adults from falling through the healthcare cracks. Several individuals provided written testimony proposing the Committee incorporate substitute language in order to fulfil the intention of SB-981. The proposed substitute language is:

Be it enacted by the Senate and House of Representatives in General Assembly convened: That title 17b of the general statutes is amended to ensure that financial eligibility standards are adjusted such that an individual identified as a Disabled Adult Child by the Social Security Act has their Title II income related to such identification, and above the income eligibility standards for full benefit Medicaid, disregarded to the income level for such coverage. Statement of Purpose: To expand access to Medicaid by ensuring that any income newly received by a Medicaid recipient as an Adult Disabled Child under Title II of the Social Security Act does not cause the individual to lose their Medicaid eligibility.

RESPONSE FROM ADMINISTRATION/AGENCY:

[Commission on Women, Children, Seniors, Equity & Opportunity, Megan Baker, Lead Asian American Pacific Islander Policy Analyst, Supports](#): SB-981 guarantees older adults and adults with disabilities remain covered by Medicaid – despite future increases in Social Security Income (SSI) – by removing Social Security Title II COLA "from income under the Old Age, Survivors, and Disability Insurance program." This measure improves health outcomes and "may also prevent unnecessary institutionalization." Quality of life is improved as "[m]edicaid members will be able to remain active in the community, as well as the economy, without extra unintentional financial burdens."

[Shantelle Varrs, Deputy Commissioner, Department of Social Services, Opposes](#): Connecticut, through DSS, "determines [Medicaid] eligibility based upon defined income and asset limits for all individuals 65 years of age or older, and/or who are blind or disabled," meaning Medicaid eligibility is not an automatic result of Supplemental Security Income (SSI) eligibility. Connecticut's "income limits are adjusted each year to account" for the Social Security Administration's annual cost-of-living adjustment (COLA). Medicaid eligibility should not change year to year based on "the receipt of an SSA COLA." DSS cautions SB-981 "is unnecessary and may cause undue confusion," because Medicaid eligibility is not tied to SSI eligibility in Connecticut.

NATURE AND SOURCES OF SUPPORT:

[Disability Rights CT, Sheldon Toubman, Litigation Attorney, Supports with Proposed Substitute Language](#): Disabled adults are eligible for SSI (disability + low income) and Medicaid from CT-DSS (low income). Typically, they have HUSKY C, which has a very low threshold – \$1,338. They face losing Medicaid benefits from additional income when they

start earning SSDI, known as Title II Disabled Adult Child (DAC) benefits. SSDI is based on the recipients' parents' work history, which often pushes them off the benefits cliff. Sometimes, SSDI exceeds even HUSKY D limitations (\$1,732). Passed by Congress, the "Pickle Amendment" requires individuals retain Medicaid eligibility, despite COLAs increasing SSDI benefits and rendering these individuals ineligible for SSI. Known as "1634 states," these states must continue Medicaid services to those who gain DAC benefits, which would otherwise render them financially ineligible for continued Medicaid services. Connecticut is one of the eight "209b states," exempting it from the "Pickle Amendment." CT-DSS could extend these protections to affected individuals, but it has chosen not to. Medicaid coverage is essential for a disabled adult. Even if they qualify for Medicare after a two-year waiting period, they will go without services "such as dental care, vision care, hearing aids, non-emergency medical transportation and broader durable medical equipment coverage." Community-based long-term care is not covered by Medicare, including "PCA services under the Community First Choice program, which has an eligibility requirement of meeting a nursing home level of care." For a DAC beneficiary who loses Medicaid, this means terminating community-based services often required to avoid institutionalization (which is a higher cost to the state).

SB-981, as written, does not protect these people. The following proposed substitute language was "developed with national experts:"

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This language achieves the goal of "ensur[ing] that vulnerable disabled adult children keep essential Medicaid coverage."

[The Arc of Connecticut, Inc., Carol Scully, Director of Advocacy, Supports with Proposed Substitute Language:](#)

The Arc of Connecticut supports the goals of SB-981 but urges the Committee to adopt the "language proposed by Disability Rights Connecticut and developed in consultation with national experts." It is important to "secur[e] a continuum of healthcare coverage for our most vulnerable adult persons."

[CT Council on Developmental Disabilities, Charles Bergamo, Chair, West Region Advisory Council for DDS; former vice-chair, Chartered Special Needs Counsellor, American College, Supports:](#) SB-981 closes a gap in Connecticut's Medicaid system as it affects individuals with a Disabled Adult Child (DAC) benefit. Connecticut is not a "1634 state," meaning "it is allowed to use stricter Medicaid income rules than the federal SSI standard." Connecticut decides how much (if any) DAC benefits it considers when determining Medicaid eligibility. Per CT's Medicaid 2020 submission package to CMS, "it does not disregard any portion of the DAC benefit." Connecticut joins Oklahoma and North Dakota as one of the most restrictive, yet still federally compliant, states by counting the whole DAC benefit, "forcing affected individuals to

qualify under general Medicaid rules or through spend-down." When the parent of a disabled person either dies or first begins receiving state benefits, the disabled person moves from SSI to SSDI. Connecticut considers the full amount of the increased income, often pushing the disabled person over the state's Medicaid income limit, thus ending services. DSS has different income thresholds for DACs on the Medicaid Waiver, so they are not always negatively affected. Connecticut needs to change the law so all OASDI benefits are deducted, protecting DACs who would otherwise lose their benefits due to moving from SSI to SSDI.

[Southwestern Connecticut Agency on Aging, Marie Allen, CEO, Supports:](#)

AgingCT supports SB-981 so Medicaid beneficiaries will continue to receive healthcare benefits despite Title II COLA. COLAs are determined by "the consumer price index, which looks at the real costs associated with housing, food and energy." This bill allows beneficiaries to receive healthcare while also keeping up with rising costs of living.

[Stamford Senior Center, Christina Crain, Executive Director, Supports:](#)

This bill will help reduce "a dangerous scenario where recipients may be forced to choose between basic needs and critical healthcare." Currently, COLAs cause vulnerable Medicaid beneficiaries to lose essential healthcare coverage when the consumer price index, which dictates COLA, only reflects the basic cost of living increases (housing, food, and energy).

[Kathryn Strout, Parent of Disabled Adult, Supports with Substitute Language:](#)

Ms. Strout's developmentally disabled adult son is not eligible for DDS but collects SSI on his own. Ms. Strout encourages the passage of SB-981 with the substitute language proposed above by Sheldon Toubman from Disability Rights CT. Her son receives critical services through Community First Choice as a Medicaid beneficiary on HUSKY C. He utilizes a personal care assistant (PCA) for mentoring and daily living, including "shopping, meal planning, going out to dinner, using money, and socialization," allowing him as much independence as possible. He will soon collect SSDI from his father's social security, which will push him over the low HUSKY C eligibility threshold. This does not affect those on a Medicaid waiver or on MedConnect; the harmed "people [are] on the HUSKY Medicaid programs and particularly on HUSKY C, which has discriminatorily low income limits (currently \$1338/month for one, compared with HUSKY A and D, with limits of \$1732/month)." Most people are unable to access the spend-down option using incurred medical bills because it is too difficult. The only other option is hiring a lawyer for thousands of dollars to create a trust, but this requires her son to relinquish control over a portion of his money. The federal Pickle Amendment protects people like Ms. Strout's son. Connecticut is one of eight states that have the option to deny continuity of Medicaid benefits. DSS should be required to "interpret the rules as in a 1634 state." To accomplish this goal, the proposed substitute language provided by national experts and Attorney Toubman must be adopted into SB-981. Connecticut must join the states that "allow disabled adult children to keep their vital Medicaid benefits when they happen to qualify for SSDI benefits" under their parents.

[Francis Traceski, Parent of Disabled Adult, Supports with Substitute Language:](#)

Individuals with profound Developmental Disabilities and an IQ over 69 still need lifetime supports, and are often on Medicaid through HUSKY C. The legislature must pass SB-981 as amended with the substitute language proposed above by Sheldon Toubman from Disability Rights CT. Connecticut needs to protect this subset of disabled adults by allowing them "to stay on Medicaid after qualifying for Title II Social Security Disability Income (SSDI) based on

a parent's SSA account." Once pushed over the HUSKY C income eligibility limit, they "lose all Medicaid benefits, including Community First Choice services. In order to align with the federal Pickle Amendment, Connecticut must pass SB-981 with the proposed substitute language provided above.

[Doris Maldonado Mendez, MEd, GAL, CHW, YMHFA, Supports:](#)

As an individual with profound medical complexities, SB-981 "is a crucial step in ensuring that those of us, who rely on Medicaid, may continue to access the care we desperately need," [instead of] "bargaining between life, death and access to coverage." Rural and marginalized communities have lower life expectancies. Quality healthcare is already hard to come by for people in ethnic, gender, socioeconomic, and geographic minorities. Under current law, COLAs to SSDI put vulnerable Connecticut residents in danger of losing essential healthcare. COLAs are calculated to cover the rising costs of living, forcing recipients of Medicaid benefits "to gamble between choosing basic needs and critical healthcare."

[Sharon Cable, Parent of Disabled Adult, Supports:](#)

Ms. Cable's son, Alex, fell off the benefits cliff upon graduating high school. Medicaid funds the Community First Choice Program, through which Alex and his family were able to bring on aides to work with him. He was attending Community College classes and participating in college activities when his family was told, "Effective immediately Alex is no longer eligible for our services." The family discovered his father's retirement led to Alex losing Medicaid benefits because Alex's Social Security benefits increased. Many families across Connecticut experience this devastation under the current laws.

[Karen Linder, Parent of Disabled Adult, Supports:](#)

Ms. Linder supports legislation that requires Medicaid eligibility determinations disregard DAC benefits income. Ms. Linder's child is affected by these laws. When a DAC inevitably gains access to their parents' Social Security, either through death or retirement, they risk their income increasing past the Medicaid eligibility threshold. In Connecticut, the disabled adult child loses their services if not on Med-connect or a Medicaid waiver. Compare this to "42 other states, [where] this is a seamless transition, and the individual does not lose their benefits."

[Nikki Rasmussen, Parent of Disabled Adult, Supports:](#)

SB-981 will put Connecticut in line with the Pickle Amendment. Connecticut is one of eight states whose Medicaid beneficiaries face losing these benefits when converting to Dependent Adult Child benefits (DAC) after previously collecting SSI.

[Cinzia Lettieri, Community Advocate, Supports:](#)

Each year, Title II beneficiaries receive "modest cost-of living adjustments (COLAs)," which in turn, causes some of Connecticut's most vulnerable residents to lose critical health care coverage. COLAs are intended to help Title II recipients keep up with rising costs for daily living essentials but can result in "a cruel paradox: a slight increase in income can result in a much larger loss in vital healthcare coverage." SB-981 synchronizes Connecticut with 42 other states; the Pickle Amendment allows states "to disregard COLAs when determining Medicaid eligibility for individuals who were once eligible for SSI." Codifying this approach protects those on fixed incomes from foregoing essential services, strengthening economic security for those already threatened by poverty. SB-981 is fiscally responsible, because when people delay medical attention, their health complications become exponentially more

expensive for Connecticut to cover. SB-981 closes "a critical policy gap," advancing fairness, health equity, and the dignity of some of our most vulnerable populations.

NATURE AND SOURCES OF OPPOSITION:

[Heidi Vos, Retired, Opposes:](#)

Ms. Vos wants "illegals [...] removed from welfare" so "Americans" can receive assistance.

Reported by: Rebecca Hyland

Date: April 2, 2025