

**Testimony Submitted by Joan Reed Wilson on February 28, 2023  
to the Committee on Banking  
on behalf of the Connecticut Chapter of the National Academy of Elder Law Attorneys  
in connection with  
Senate Bill 1088  
An Act Concerning Financial Exploitation of Senior Citizens**

I am an elder law attorney practicing in Middletown, Connecticut, the President-elect of the Connecticut Chapter of the National Academy of Elder Law Attorneys (CTNAELA), and a member of the Executive Committee of the Elder Law Section of the Connecticut Bar Association.

I served as co-chair of the Task Force to Study Ways to Protect Senior Citizens from Fraud and in my own practice, I have seen first-hand how financial exploitation by family, by caregivers, and online scams can affect our older population. CTNAELA supports efforts to prevent elder financial exploitation and abuse. We share the concerns raised by the Banking Department, the AARP, and the Connecticut Bankers Association; however, we also see how the bill, as drafted, could cause harm those who are not being exploited and strongly urge the Committee to consider certain amendments to the bill to reduce the possible harms that this bill could cause.

We believe that SB 1088, An Act Concerning Financial Exploitation of Senior Citizens, is a significant beginning. Granting financial institutions the power to place a hold on suspicious transactions is an important step in limiting the impact of fraud and abuse on Connecticut's elder residents. However, we strongly urge the committee amend the bill to require that the Department of Social Services TREAT HELD FUNDS AS AN INACCESSIBLE ASSET FOR MEDICAID ELIGIBILITY.

Allowing a bank to freeze an account has potential adverse consequences. As an elder law attorney I often assist clients with qualifying for Medicaid, which sometimes requires what may be deemed as unusual transitions, like withdrawing a retirement account, paying off a large loan or writing large checks. If the individual's account is frozen, even for just 15 days, this could defeat the elder's ability to properly spend down, leaving them responsible for the cost of care in their nursing home, when they might otherwise have been able to qualify for Medicaid had the account not been frozen. That could result in a cost to the applicant in excess of \$650 per day. This unintentional harm and cost to the senior can be avoided if language is added to the bill to specify that an account that is frozen or held due to the financial institution's decision would be deemed an "inaccessible asset" for purposes of Medicaid eligibility.

As an example, if an individual has \$10,000 in a bank account and a person acting on behalf of that individual attempts to remove \$8,500 from the account, to pay for the funeral, for example, and a financial institution places a hold on the account, the individual will be denied Medicaid benefits because their assets exceed \$1,600. If the amount subject to a hold is treated as an inaccessible asset, the individual will be eligible for Medicaid benefits.

This type of carve out is already used in the laws of the State so those most in need will not be denied benefits simply because paperwork and documentation sometimes takes too long to

complete. For example, CGS 17b-261 states that a Medicaid applicant who is attempting to cash in a life insurance policy worth less than \$10,000 will not be deemed ineligible for Medicaid if they have been unable to complete the transaction, provided they are pursuing the surrender of the policy.

CTNAELA specifically requests that the following language be added to this Bill:

“Where an elderly person or co-owner of an account of an elderly person is an applicant for, or recipient of, means-tested benefits under Chapters 319s through 319oo of the general statutes, inclusive, the Commissioner of Social Services shall consider an account subject to any hold under this section to be an inaccessible asset for all owners or co-owners of the account, during all periods during which a hold is in effect.”

Thank you for your consideration and time.