

**Statement of Ms. Ruth C. Pundt,
Resident at Oak Crest Village an Erickson Retirement Community**

Testimony Before the U.S. Senate Committee on Finance

Medicaid Waste, Fraud, and Abuse: Threatening the Health Care Safety Net

June 29, 2005

Residents' Contractual Obligations to the Erickson Community

I understand Congress has decided to take up the issue of whether or not to take up the issue of whether they will once and for all close the loophole that has allowed Continuing Care Retirement Communities (CCRC) residents to access Medicaid without first spending down their entrance deposits.

The residents at Oak Crest Village, an Erickson CCRC in Parkville, MD, signed a contract to do this, and I intend to fulfill it. Other residents should be required to fulfill their contracts also. As a taxpayer, I believe people with assets should not be able to use loopholes to preserve their assets and shift the burden of paying for their care to others.

America is certainly feeling the budget crunch right now and the consequences could be severe. With federal dollars dwindling, there is pressure to cut Medicaid budgets and other critical programs, actions that could devastate our most vulnerable citizens, particularly the poor and seniors.

Effects of Medicaid Asset Transfers and Spend Down Requirements on Erickson Residents

If the Federal Government allows people who have hundreds of thousands of dollars in CCRC entrance deposits to access Medicaid, it will hurt Oak Crest Village and take money away from the truly needy of our Country and the State of Maryland.

I moved to Oak Crest because of the outstanding quality of care. Allowing undeserving residents to access Medicaid will adversely impact the quality of care; and Medicaid should not be used to preserve inheritances at the cost of providing high quality care to seniors.

Results of Resident Survey Regarding Medicaid Spend Down

A survey of the residents of Oak Crest Village indicated that the residents overwhelmingly supported (97%) the closing of this Medicaid loophole. As a representative of the vast majority of residents at Oak Crest Village, I ask that you close the Medicaid loophole.