CONNECTICUT VOICES FOR CHILDREN

Avoiding Past Mistakes: HUSKY B Premiums Would Leave Thousands of Children Uninsured

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HUSKY B, Connecticut's Children Health Insurance Program (CHIP) for children under 19, provides coverage for about 16,000 uninsured children whose families do not qualify for HUSKY A (Medicaid) because their income is above the HUSKY A limits. Two of every three dollars are paid for by the federal government. During this recession, many families have lost their jobs and their children's health coverage. Many working families have no access to employer-sponsored coverage. HUSKY B ensures that these children get the health care they need.

Governor Rell has proposed imposing new and increased premiums on many children in HUSKY B. In addition, the FY 10 deficit mitigation plan passed by the legislature and signed by the Governor on April 14, 2010 increases co-pays for most health services, including office visits and prescription medications, for all of the 16,000 children in HUSKY B.

Avoid Mistakes of the Past: We know from past experience in Connecticut that thousands of children are likely to lose coverage if new or increased premiums are imposed on children in families in HUSKY B. Twice in the past 10 years, these premiums have been imposed or increased. When legislators and the Governor realized that several thousand children were scheduled to lose coverage because their families could not afford the premiums, they repealed the requirement twice.

State Risks Loss of Millions in Federal Funds: Since the federal government reimburses the state for two-thirds of the cost of HUSKY B, Connecticut must make $3 in cuts to save $1 in state funding. If the federal government interprets the national health reform law (Patient Protection and Affordable Care Act) to prohibit new or increased premiums for HUSKY B (CHIP), as it did for Medicaid under the Recovery Act, Connecticut will lose hundreds of millions of dollars in federal matching funds for the *entire* Medicaid program. States will be prohibited from implementing eligibility cuts or certain other restrictive policies that make it more difficult for eligible children to enroll and stay enrolled. The "savings" projected by the Governor in FY 11 if HUSKY B premiums were increased would only be $1.15 million, but this "savings" could put hundreds of millions at risk.

Co-payments Threaten Access to Care: The HUSKY B co-pays will be raised to the levels charged in the state employee health plans (estimated savings in FY10: $26,000). While the state savings is minimal, the costs to families will be significant. Families with children in HUSKY B typically do not have the good-paying, steady jobs held by state employees. Some of these children are living with special health care needs that require them to take multiple medications on a regular basis. Families will be required to pay twice or three times what they are currently paying for office visits ($10 to $15, compared with $5 per visit) and over four times as much as they currently pay for brand name prescription medications ($25, compared with $6 per prescription). Some families may forgo needed care for their children or seek emergency care when the conditions worsen if they cannot afford the additional co-payments. Furthermore, providers may be unable to collect the higher co-payment amounts and will have to choose between absorbing the costs themselves or refusing to schedule subsequent visits.

The Bottom Line: The adoption of increased co-payments and the proposal to also increase HUSKY B premiums will shift costs to families with children and to their health care providers, and may jeopardize funding for the entire Medicaid program.

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