CONNECTICUT VOICES FOR CHILDREN

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Testimony Regarding the Department of Social Services' HUSKY & Medicaid Budget

Sharon D. Langer, M.Ed., J.D.
Appropriations Committee Public Hearing
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Dear Senator Harp, Representative Merrill, and Members of the Appropriations Committee:

I am a Senior Policy Fellow with Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth and families. One of my roles at CT Voices is to coordinate the *Covering Connecticut's Kids & Families* coalition, which brings together state and community-based organizations to promote coverage and access to care in the HUSKY Program. It has been a successful vehicle for distribution of up-to-date information about the program to the many stakeholders who care so much about improving the health of vulnerable children and families. I am also the co-convenor of the Medicaid and SAGA Strategy Group, a diverse coalition of health advocates and organizations that have come together for many years to promote programmatic stability and growth in the health safety net programs that serve over 400,000 children, families, persons with disabilities, and seniors.

I am here this evening to urge you to reverse the Governor's recommended cuts to the HUSKY/Medicaid budget and to restore funding for essential improvements to HUSKY- particularly at this time of instability in the management of care in the program. Specifically, I urge you to:

- Restore funding for the language interpretation services to HUSKY and Medicaid enrollees. (Governor's cut of $4.7 million)
- Do not narrow the definition of medically necessary services in Medicaid/HUSKY A. (Governor's cut of $4.5 million)
- Restore funds for the HUSKY B program (Governor's cut of $2.2 million)
- Restore continuous eligibility for children in HUSKY A and B (OFA cost estimate $2.8 million in FY '08)
- Delay implementation of the July 08 HUSKY managed care contracts

The HUSKY Program is a smart investment for the State of Connecticut, and the Governor and Legislature are to be commended for the new dollars added to the program last legislative session for increasing eligibility limits for parents and pregnant women and for taking steps to increasing provider reimbursement, among other initiatives. Unfortunately, the Governor's recommended adjustments to the FY 09 budget take steps backwards. Disappointingly, the Governor has

proposed eliminating funding for foreign language interpreters in the Medicaid and HUSKY program – a well-recognized strategy for reducing medical errors and saving money. In addition, her budget reduces spending in the HUSKY B program (which serves uninsured children whose family income makes them ineligible for HUSKY A, or Medicaid), even as our state continues to leave millions of dollars of unspent federal SCHIP funds for this program on the revenue table. See CT Voices for Children, *Connecticut Losing Out on Federal Funds for Children's Health Coverage*, Feb. 2008, available at www.ctkidslink.org Federal and state dollars could be used to make a variety of improvements, such as reducing out-of-pocket costs to families, and making desperately needed health services and equipment more widely available to children with special health care needs.

For at least the second year in a row, the Governor recommends reducing access to services by narrowing the definition of "medically necessary" services. The current definition is designed to ensure that low-income at-risk children and families get the healthcare they need.

Restore "Continuous Eligibility" For Children in HUSKY

It is well past time for lawmakers to reinstate "continuous eligibility" (CE) for children in HUSKY. CE allows children a year of continuous health insurance coverage after enrollment or renewal in HUSKY, regardless of fluctuations in income. CE which has been instituted in 29 other states can address the "churning" that is common in HUSKY, as thousands of children cycle on and off the program due to temporary changes in family income. Although the Office of Fiscal Analysis estimated that it would cost $2.8 million to restore CE, the OFA estimate does not take into account savings that would be realized by implementing this policy. Research shows that the monthly cost of providing health care actually drops as individuals are enrolled for longer periods. See CT Voices for Children, *Avoiding Gaps in Children's Health Coverage: Restore "Continuous Eligibility" in HUSKY*, Feb. 2008, available at www.ctkidslink.org)

Delay Implementation of the July 1, 2008 HUSKY RFP

Finally, we have serious concerns about the churning that thousands of families may experience with the ongoing changes to the HUSKY program as a result of the exit of two health plans from the managed care program as of March 31, 2008. In addition, DSS has an ambitious timetable to implement fully capitated managed care on July 1, 2008 – just three months later. We believe that lawmakers and HUSKY stakeholders should be given time to evaluate the changes that have just now gone into effect – the carve out of pharmacy services from managed care, the implementation of non-risk, administrative services organization contracts with the remaining managed care entities, the availability of fee-for-service Medicaid as an alternative to managed care, the increase in provider rates, the anticipated carve-out of dental services - before we can decide how to re-structure the program. Most importantly, families should not be subject to yet another major change in HUSKY within such a short period of time.

Thank you for your consideration of this testimony. Please feel free to contact me if you have questions or need additional information.