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Testimony in Support of House Bill 5498 An Act Concerning A Catastrophic Illness in Children Relief Program

Sharon D. Langer, M.Ed., J.D.
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Dear Senator Meyer, Representative McMahon and Members of the Select Committee on Children:

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, and has provided me with invaluable information about how HUSKY works – and where coverage gaps remain for children - notwithstanding the improvements enacted by this legislature in recent years.

I am here today to urge you to support HB 5498 An Act Concerning A Catastrophic Illness in Children Relief Program. This program is modeled after New Jersey's Catastrophic Illness in Children Relief program which was developed twenty years ago. In New Jersey, the fund has helped hundreds of families each year pay for extraordinary medical and related expenses incurred by caring for a child with a chronic or sudden illness, such as cancer, injuries due to an auto accident, or bipolar disorder. As a recent report concerning the New Jersey program states, the fund is "established to provide financial assistance to families whose children have experienced an illness or condition *not fully covered by insurance, state or federal program, or any other resource.*"¹ The funds would reimburse families for costs that are more than what an insurance plan covers. It would also pay for medical care or other expenses not covered by insurance, such as premiums, co-pays, travel expenses that allow a parent to visit a child hospitalized far from home, or expenses for a ramp or other modifications to a home that offers a child increased mobility and independence.

The Fund would be financed by employers subject to our state's unemployment insurance fund. Employers would be assessed a \$1.00 surcharge for each employee on their payroll.² The Fund would only reimburse families for expenses that exceed 10% of income under \$100,000 per year and 15% of income over \$100,000. Thus, it would help working families that can be devastated by a child's serious illness or condition. Parents of these children often have to reduce their hours of work or leave their jobs all together to care for their children, thus risking medical debt that can lead to bankruptcy, stress that can break apart families, and lost productivity in the workplace. In New

Jersey, “a great majority of the families were employed, had some form of insurance, and yet was (sic) still vulnerable to personal and financial distress from catastrophic medical costs.”³ *Eighty nine percent (89%) of the applicant families were insured and still had enormous out of pocket costs related to care of a child.*⁴

The Catastrophic Illness Fund would fill gaps in HUSKY coverage

HUSKY has two parts⁵ - Part A is our state’s Medicaid program for children under age 21 and their parents. Although HUSKY A covers a wide-array of medical and related expenses (such as transportation to and from medical appointments), it is only available to children in lower-income families. A family of three would have to make less than 185% of the federal poverty level (FPL), e.g., under \$31,764 per year, to qualify. Moreover, young adults between the ages of 19 and 21 are subject to a deep poverty income eligibility threshold: \$9,880 per year for a family of three in most geographical areas of the state and a very low asset limit of \$3,100.⁶

HUSKY – Part B is our State Children’s Health Insurance Program (SCHIP) for uninsured children with income above the HUSKY A limits. While many children are eligible for HUSKY B, the coverage is not always sufficient to meet the needs of youngsters with special health care needs. This is particularly true for families with income above 300% of the federal poverty level or \$51,510 a year for a family of three, who pay an unsubsidized premium between \$158 and \$230 per uninsured child. By state law these higher income HUSKY B children are prohibited from participating in HUSKY B’s supplemental benefit package for children with special health care needs (HUSKY Plus). HUSKY Plus is only available to children who receive subsidized coverage in HUSKY B – those children with family income between 185% and 300% of FPL.

As the experience of New Jersey has shown, a Catastrophic in Illness Children Relief Program, can fill the gaps – in some cases gaping holes - in publicly funded insurance and employer-sponsored coverage alike. Equally important, it can pay for needed items never covered by insurance.

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

¹ State Office of the Catastrophic Illness in Children Relief Fund Commission. *A Report to the Governor & The Legislature of the State of New Jersey On the Catastrophic Illness in Children Relief Fund Act*, July 2006 to June 2007, at 6, available at <http://www.state.nj.us/humanservices/catill/catill1.htm>.

² *Id.*, at 20. In 2007, the New Jersey fund increased the per employee surcharge from \$1.00 to \$1.50. The fee increase which was the first in the history of the 20 year program was supported by the New Jersey Business & Industry Association, as well as the bi-partisan members of the state legislature and the Governor.

³ *Id.*, at 7.

⁴ *Id.*, at 12.

⁵ For more information about HUSKY, see Connecticut Department of Social Services materials, available at www.huskyhealth.com. See also CT Voices for Children’s *HUSKY eligibility manual*, HUSKY fact sheets and reports, available at www.ctkidslink.org

⁶ For information concerning the income and asset levels for this HUSKY A (Medicaid) coverage group, see Connecticut Department of Social Services *Uniform Policy Manual*, at Secs. 4005.10.A.7; P-4530.15, available from the Connecticut Department of Social Services.