CONNECTICUT VOICES FOR CHILDREN

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Testimony Regarding: H.B. 5721 An Act Establishing The Connecticut Healthy Steps Program

Sharon D. Langer, M.Ed., J.D.
Committee on Insurance and Real Estate Public Hearing
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Dear Senator Crisco, Representative O'Connor, and Members of the Committee on Insurance and Real Estate:

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 been invaluable to my understanding of how the program works "on the ground". I am currently an appointed member of the HealthFirst CT Authority, which has been charged by the legislature to make findings and recommendations by December 1, 2008, concerning strategies for reaching universal health care coverage.

First, I offer the following general observation. The overall goals of the proposed legislation to reduce the number of uninsured state residents, reduce costs, promote good health, and improve the quality of care in our state are all laudable. However, in light of the newly formed HealthFirst CT Authority and Primary Care Access Authority, which together have been charged by this legislature to make findings and recommendations concerning all of these objectives within the next year, many of the aspects of this bill should await the report of the Authorities.

I make the following specific comments about sections of the bill that impact the HUSKY program.

Support Sec. 24(d) with modifications: Restores "Continuous Eligibility" For Children in HUSKY

We wholeheartedly support restoration of "continuous eligibility" (CE) for children in the HUSKY program, but urge adoption of the language contained in H.B. 5618 Sec. 1(d), which was recently raised before the Human Services Committee, and focuses exclusively on children. Sec. 24 also provides CE for adults, an eligibility option which is currently unavailable under federal Medicaid (HUSKY A) rules. The legislature could enact CE for parents or pregnant women in HUSKY A, but Connecticut would not receive federal reimbursement for the coverage.

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. 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

Reject Sec. 23. (k) Imposes cost-sharing on lower-income families. This section would impose copayments for the use of the emergency room for nonemergency health care services. While everyone agrees that emergency departments should serve patients experiencing true medical emergencies and not routine care, the reasons that people frequent the emergency rooms are many. For example, low-income families may be instructed by their physicians to go to the ED. It may not be clear until after diagnosis that symptoms that brought the person to the ED were not of an emergency nature after all, such as, indigestion that mimics signs of heart problems. Until we have a truly comprehensive primary care system where people can access medical care around the clock for routine, as well as emergency needs, we will not solve the utilization of emergency departments for nonemergency care. Although this legislation allows hospitals to waive the co-payments, research shows that cost sharing on low-income families acts as a barrier to care.[1] And finally, the last thing poor people need is to run up yet another bill they cannot pay in the form of co-payments for emergency care.

Reject Sec. 21. Allows aged, blind and disabled Medicaid individuals to voluntarily enroll in the HUSKY Program, Part A and B as of January 1, 2009. This section would allow the fee-for-service population to enroll in managed care plans that participate in HUSKY A and B. We have several concerns about this proposal. First, HUSKY B is our federal State Children's Health Insurance Program (SCHIP), which limits coverage to children. By state law, HUSKY B serves children under 19, whose families have too much income to qualify for HUSKY A (Medicaid). Adults are therefore excluded. Furthermore, the HUSKY B benefit package is not designed to meet the needs of the elderly or adults with disabilities.

Second, the future of HUSKY managed care is unclear. We have serious concerns about the ongoing changes to the HUSKY program due to 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 for families. Adding the most vulnerable, seriously ill, and most costly populations to the program seems unwise in light of these overwhelming and new changes in the program's operation.

Thank you for the opportunity to submit this testimony concerning HB 5721. Please contact me if you have questions or need further information.

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[1] Hudman J, O'Malley M. *Health insurance premiums and cost-sharing: Findings from the research on low-income populations.* Washington, DC: The Kaiser Commission on Medicaid and the Uninsured, March 2003. Available at www.kff.org