Testimony Regarding
H.B. No. 6367: An Act Implementing the Governor's
Budget Recommendations for Human Services Programs

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Human Services Committee
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Senator Slossberg, Representative Abercrombie, and members of the Human Services Committee:

I am testifying today on behalf of 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.

I am testifying about provisions in the bill that relate to HUSKY (Medicaid and the Children's Health Insurance Program) as they relate to children, parents, pregnant women and low-income adults (the latter include eligibility for young adults between the ages of 19 and 21).

Connecticut Voices supports the Governor's proposal to maintain Medicaid income eligibility limit for pregnant women at 250% of the federal poverty level. We note that the budget maintains coverage for children in the HUSKY (Medicaid) and HUSKY B (CHIP) as required by federal law. (H.B. 6367 makes no change to this provision)

We also support the expansion of coverage to individuals on HUSKY D (Medicaid for low-income adults without children) to 133% of the federal poverty level under a state option in the Affordable Care Act, but with one modification. The income limit is currently only 56% of the federal poverty level. Beginning in January 2014, the federal government will reimburse the state for the full cost of coverage for all HUSKY D enrollees. As a result, the state is expected to save hundreds of millions of dollars over the next decade in costs associated with this Medicaid expansion.

We urge the committee to repeal the provision that would permit the Department of Social Services to create "an alternative benefit package", meaning the Department could narrow the range of services offered to low-income adults. HUSKY D beneficiaries should have access to the same range of medically necessary services as other adults on Medicaid, particularly when the federal government will be paying the full cost of coverage, and many young adults between the ages of 19 and 21 will be eligible.[1]

Connecticut Voices opposes the proposal to eliminate coverage for 40,000[2] HUSKY parents with income between 133% and 185% of the federal poverty level ($25,975 to $36,131 for a family of three)[3] beginning January 1, 2014, with the expectation that instead they will purchase coverage through the state's new health insurance exchange. We therefore urge the Committee to reject the changes made to Section 21 of the bill. Our opposition is predicated on the following concerns, backed up by research.

Many HUSKY parents are likely to become uninsured or lose meaningful access to care.

The overarching goal of the Affordable Care Act is to increase the number of individuals and families with insurance coverage and access to needed health care. This will come from both the Medicaid expansion and the opportunity of the *currently uninsured* population in Connecticut to purchase insurance through the exchange, beginning in 2014. It runs counter to the purpose of the Act to end insurance coverage for low-income parents, and create an unnecessary risk that many of them will join the ranks of the uninsured. Research *and common sense* demonstrate that even with subsidies many of these parents will forego coverage and/or needed care due to unaffordable costs of the exchange plans.[45]

Based on the standard plan design adopted by the health insurance exchange board, an individual with family income between 150% FPL and 185% FPL (between $29,295 and $36,131 for a family of three) would be subject to a $500.000 deductible before her insurance will cover medical visits (other than preventive care) and tests. Once the deductible is met, co-pays would be $15.00 for a doctor visit for an injury or illness, $30.00 to see a specialist, and $50.00 for a CT Scan or MRI. For an individual with income at 133% FPL ($25,975 for a family of three), there is no deductible; however, co-pays are $5.00 for a medical visit for an injury or illness and $15.00 to see a specialist. CT Scans or MRIs would still cost $50.00. Prescription medications would cost between $5.00 and $40.00 for individuals with income between 133% FPL and 185% FPL.[6] These costs are too high for struggling low-income families and may mean that families that pay the premiums for coverage will still forego care. Low-income families might even avoid free preventive care due to the risk that it could lead to costly non-preventive services. Several studies show that even nominal cost-sharing, such as a $2 copay imposed on Medicaid beneficiaries in Utah[7], causes low-income individuals to forgo medically necessary care, resulting in adverse outcomes and increased emergency room use[8]. Copayments are particularly harmful to vulnerable individuals with chronic conditions such as diabetes or mental illness whose need for multiple medications and more frequent care can make even nominal costs prohibitive.

HUSKY coverage is tailored to the needs of low-income families.

Currently, HUSKY A parents pay no premiums or other out-of-pocket costs, and have access to medically necessary transportation, dental and behavioral health, and substance abuse services, as well as prescriptions without co-pays. Transportation to medical appointments is not a covered service provided by an exchange health plan, dental coverage may be available through the exchange, but at an additional and unsubsidized cost, and access to behavioral health services is limited or too expensive under many commercial plans. There is tremendous concern that individuals whose mental health conditions are controlled with psychiatric medications will forego those drugs if they have to pay even nominal amounts. It is very likely that many of these parents, struggling to pay rent, utilities, food, clothing, and other essential items for their children, will forego paying for their own health insurance coverage, rather than skimp on supports for the family as a whole.

Children on HUSKY may lose coverage or access to care if their parents lose coverage.

Children on HUSKY with family income up to 185% of the federal poverty level remain eligible for HUSKY A until 2019 under the Affordable Care Act. We are, however, very concerned about the effects of the parent's loss of coverage on their children's access to coverage and care. Research demonstrates that when whole families are covered together the number of children who are insured and have access to care is much higher.[9] Insured children with uninsured parents are nearly 2.5 times more likely to experience an insurance coverage gap than insured children with insured

parents.[10] Insured children with uninsured parents are at greater risk of having unmet health care needs and having never received at least one preventive counseling service.[11] A child with publicly insured parents is about 8 times more likely to be enrolled in public coverage compared to a child whose parent is uninsured.[12] Moreover, whether children get health care is related to parental use of health care, and – not surprisingly but significantly – "the health of parents can play an important role in the well-being of their children."[13]

Connecticut can be proud of the progress it has made in reducing the number of uninsured children[14] over the last 15 years – due in no small measure to the success of the HUSKY program. This is no time to risk increasing the number of uninsured children and parents.

Connecticut Voices opposes the elimination of the Behavioral Health Partnership Oversight Council. (Secs. 28, 29, 30, 31, 53 (Sec. 53 repeals Sec. 17a-22j which authorizes the Council). I am a member of the Council and co-chair of the Coordination of Care Committee. Eliminating the Council would have little impact on the state budget (the only appropriated funding is for a legislative staff person), but could have a deleterious effect on the great work of the Partnership. The Partnership has only recently expanded to potentially cover all 600,000 individuals – children and adults – on Medicaid and CHIP (HUSKY B). This is no time to reduce transparency, oversight, and consumer input with regard to mental health services in our state. This is especially true when so much public attention is on access to mental health care in general. The Coordination of Care Committee has terrific participation by consumers and family members of those who utilize the services of the Partnership. The Council has done a good job of streamlining our efforts, for example, by reducing the number of committees, and meeting every other month in the case of the Coordination of Care Committee. We need to build on the success of the Partnership, and that can only be done in collaboration with the many stakeholders on the Council – providers, state agencies, consumers, their family members, and advocates. We urge you to support the continuation of the Council.

We also oppose the elimination of the Department of Social Services obligation to report to the Council on Medical Assistance Program Oversight the extent to which it is providing foreign language interpretation in the Medicaid and CHIP programs. (Sec. 16, amending Sec. 17b-28(e)). According to the Governor's budget proposal foreign language interpretation service is being provided by the medical ASO, Community Health Network of Connecticut (CHNCT). Under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), states are eligible to receive an enhanced federal match of 75 cents on the dollar for medical interpretation. It is important for the Medicaid Council and this Committee to understand whether the Department is engaged in this federal revenue maximization effort. The goal of foreign language interpretation is to help ensure that families with limited English are able to actively engage with providers in health care decision making, understand how to take their medications and otherwise benefit from the care they receive.

We also oppose the following funding reductions proposed by the Governor. Such reductions do not require a statutory change to implement, but would negatively impact the HUSKY program for children, pregnant women and parents.

1. **Reduction in funding for the 2-1-1/United Way HUSKY Infoline** by 52% in FY14 and elimination of all funding in FY15. HUSKY Infoline provides one-on-one assistance with eligibility

and access to care issues specifically related to the HUSKY program. Given the anticipated changes to the HUSKY program in 2014 under health reform, the in-depth expertise of the staff of Infoline will be needed more than ever to assist families.

2. Reduction in funding for community-based Healthy Start programs by 60%. Healthy Start assists pregnant women to access health coverage and prenatal care.

3. Elimination of funding for independent performance monitoring in the HUSKY Program ($219,000 per year, though 50% of this cost is reimbursed by the federal government). Independent performance monitoring has been state-funded since 1995 and is conducted by Connecticut Voices under a contract between DSS and the Hartford Foundation for Public Giving. This project provides information on enrollment patterns[15], long-term trends in the use of children's health services, including well-child, dental, emergency, and asthma care.[16] This information is *not* reported by the Department's administrative services organization ("ASO") contractor. The project also provides data on maternal health and birth outcomes in the HUSKY Program, including low birth-weight, preterm births, prenatal care, births to teen mothers, and smoking among mothers.[17] This research is based on linked birth-HUSKY enrollment data that is *not* available to the Department's ASO contractor.

During the next biennium when the HUSKY program will be undergoing major changes due to the Affordable Care Act and other initiatives, it is more important than ever that the state maintain its cost-effective investment in oversight and program improvement – a program that serves over 425,000 children, parents, and pregnant women.[18]

Thank you for this opportunity to testify regarding H.B. 6367. Please feel free to contact me if you have questions or need additional information.

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[1] **Proposed Amendment to Sec. 17b-261 :**
(k) In addition to persons eligible for medical assistance under the provisions of subsections (a) through (j) above, on and after January 1, 2014, medical assistance shall be provided to low-income adults whose income does not exceed 133 percent of the poverty line, in accordance with Section 1902(a)(10)(A)(i)(VIII) of the Social Security Act, without an asset test. The medical assistance provided under this subsection shall be in the same amount, duration and scope as provided to individuals eligible for medical assistance under subsections (a) through (j) above. (l) CGS 17b-261n is repealed effective January 1, 2014. [This section authorizes the existing LIA program.]

[2] Statement of Ben Barnes, Secretary, Office of Policy and Management at the meeting of the health insurance exchange board (February 21, 2013). Estimate by the Office of Fiscal Analysis last year in its analysis of S.B. 425 was 31,000. There are currently about 145,000 parents on HUSKY A. The anticipated roll-back of eligibility would impact about 27% of the parents.

[3] Annual Update of the Poverty Guidelines, 78 Fed. Reg. at 5153 (January 18, 2013).

[4] Between 133% and 185% FPL, individuals will be expected to pay between 3% and 5.61% of their income for premiums and as much as $2,250 for an individual ($4,500 for a family plan) toward deductibles, co-pays and other out-of-pocket costs depending on the plan and the health of the consumer. Patient Protection and Affordable Care Act "Affordable Care Act" , P.L. 111-148 as amended by P.L. 111-152. Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2014, Proposed Rule, 77 Fed. Reg. at 73173 (December 7, 2012). Even if the parents pay the premiums, they may be discouraged from receiving necessary care due to other out-of-pocket costs, such as co-pays.

[5] See, for example, Ku, L, and Wachino, V, *The Effect of Increased Cost-Sharing in Medicaid: A Summary of Research Findings*, Center on Budget and Policy Priorities, July 7, 2005, available at http://www.cbpp.org/files/5-31-05health2.pdf

[6] See, Health Insurance Exchange Board Approved Standard Plan Design, Appendix B, available at http://www.ct.gov/hix/lib/hix/Board_Approved_Standard_Plan_Designs_%2801242013%29.pdf

[7] Ku, L, Deschamps, E, and Hilman, J, "The Effects of Copayments in the Use of Medical Services and Prescription Drugs in Utah's Medicaid Program," Center on Budget and Policy Priorities, November 24, 2004, available at http://www.cbpp.org/files/11-2-04health.pdf.
[8] Ku, L, and Wachino, V, *supra* note 5, pp. 5-7.
[9] Dubay, L, and Kenney, G, "Expanding public health insurance to parents: effects on children's coverage under Medicaid," *Health Serv Res* 38(5): 1283-1301 (2003).
[10] DeVoe, JE, Tillotson, CJ, and Wallace, LS. "Children's Receipt of Health Care Services and Family Health Insurance Patterns," *Ann Fam Med* 7(5): 406-413 (2009).
[11] *Id*.
[12] GAO, *Given the Association between Parent and Child Insurance Status, New Expansions May Benefit Families*, GAO-11-264, February 4, 2011, available at http://www.gao.gov/products/GAO-11-264.
[13] Committee on the Consequences of Uninsurance, Institute of Medicine, *Health Insurance Is a Family Matter*, Washington, DC: National Academy Press, 2002.
[14] See, e.g., Lee, MAL, *Uninsured Children in Connecticut: 2011*, Connecticut Voices for Children, October 2012, available at http://www.ctvoices.org/sites/default/files/h12uninsuredchildren11a.pdf.
[15] See, e.g., Lee, MAL, *Trends in New Enrollment in the HUSKY Program: 2011*, Connecticut Voices for Children, December 2012, available at http://www.ctvoices.org/sites/default/files/h12newenrollees2011.pdf. ; Lee, MAL, Children in the HUSKY Program Experience Gaps in Coverage: An Update, Connecticut Voices for Children, May 2012, available at http://www.ctvoices.org/sites/default/files/h12huskycoveragegaps.pdf.
[16] See, e.g., Lee, MAL, *Children's Dental Services in the HUSKY Program: Program Improvements Led to Increased Utilization in 2009 and 2010*, Connecticut Voices for Children, November 2011, available at http://www.ctvoices.org/sites/default/files/h12newenrollees2011.pdf.
[17] See, e.g., Lee, MAL, *Births to Mothers with HUSKY Program and Medicaid Coverage: 2010*, Connecticut Voices for Children, February 2013, available at http://www.ctvoices.org/sites/default/files/h13birthsreport10.pdf.
[18] See, Langer, S and Lee, MAL, *The HUSKY Program for Children and Families: The Impact of the Governor's FY 2014 and FY 2015 Budget Proposals*, Connecticut Voices for Children, February 21, 2013, available at http://www.ctvoices.org/sites/default/files/h13huskybudgetfy1415.pdf.