CONNECTICUT VOICES FOR CHILDREN
20 YEARS OF ADVANCING OPPORTUNITIES FOR CHILDREN AND FAMILIES

33 Whitney Avenue
New Haven, CT 06510
Voice: 203-498-4240
Fax: 203-498-4242
www.ctvoices.org

Update on Enrollment in Connecticut's HUSKY Program Under the Affordable Care Act

June 2016

On April 13, 2016, the Centers for Medicare and Medicaid Services (CMS) released its latest report on the impact of the Affordable Care Act (ACA) on enrollment in Medicaid and the State Children's Health Program (CHIP) by state.[1] Preliminary data for January 2016 show that across the US, there are nearly 72.4 million individuals enrolled in Medicaid and CHIP (about one in five US citizens and legal permanent residents). In the 49 states and the District of Columbia with baseline enrollment data, CMS reported that Medicaid and CHIP enrollment increased by nearly 15 million individuals (26.5%), compared with average monthly enrollment prior to the Medicaid expansion (57.8 million on average in July to September 2013).[2] The increase was highest in the states and the District of Columbia that expanded Medicaid to cover low income adults (35.5% enrollment growth overall).[3]

Based on our analyses of HUSKY Program data, enrollment in Connecticut's HUSKY Program had grown by over 19 percent as of January 2016, compared with enrollment before ACA implantation (baseline: July-September 2013 average monthly enrollment) (Table 1). CMS did not report these data because Connecticut did not provide baseline data to CMS for the analyses. However, the Department of Social Services regularly reports HUSKY Program (Medicaid and CHIP) enrollment by month, making it possible for Connecticut Voices for Children to use CMS' methods for monitoring the impact of the Affordable Care Act in Connecticut.

Table 1. HUSKY Program Enrollment Before and After ACA Implementation and Medicaid Expansion

	Enrollment (January 2016)	Baseline enrollment (Jul-Sep 2013 average)	Number change	Percent change
Total HUSKY A, C, D (Medicaid)	**741,599[a]**	**622,612**	**118,987**	**19.1%**
HUSKY A (children, parents, pregnant women)	454,857	432,914	21,943	5.1%
HUSKY C (elderly, disabled individuals)	93,365	96,548	-3,183	-3.3%
HUSKY D (low income adults without children)	193,377	93,150	100,227	107.6%
Total HUSKY B (CHIP; premium bands 1 and 2)[b]	**15,065**	**12,384**	**2,681**	**21.6%**
Total HUSKY Program enrollment	**756,664**	**634,996**	**121,668**	**19.2%**

[a] CMS reported Connecticut Medicaid enrollment of 756,725 individuals; however, counts for HUSKY A, C and D reported by the Connecticut Department of Social Services totaled 742,666 (741,599 with comprehensive benefits, as shown above, and 1,067 individuals with limited benefits for family planning or treatment of tuberculosis). The January counts are preliminary and may not include those with retroactive eligibility.

[b] Includes HUSKY B enrollment count for children with *subsidized* coverage (Income Band 1: 10,114 children; Income Band 2: 4,951 children). Children with *unsubsidized* HUSKY B coverage (in families with income over $64,891 for family of 3) are not included in the count (Income Band 3: 191 children in July 2015, compared with 1,004 children on average July-September 2013), prior to elimination of Band 3 as an enrollment option, effective August 1, 2015..

Source: Analysis of HUSKY Program summary data by Connecticut Voices for Children. Source for HUSKY A, C, D data: Connecticut Department of Social Services report on Active Medical Assistance Coverage Groups—Eligibility Reports issued April 6, 2016. Source for HUSKY B data: Connecticut Department of Social Services, counts provided upon request, April 22, 2016.

Compared to average monthly enrollment in the pre-expansion baseline (July to September 2013), HUSKY Program enrollment has increased by over 121,000 individuals, the majority of whom qualified for Medicaid rather than CHIP. This change is less than we previously reported for peak enrollment growth for September 2014 (up over 130,000), prior to when the Department resumed processing eligibility redeterminations that had been suspended temporarily. By January 2016, enrollment in HUSKY A was up just over 5 percent. The number of children in the subsidized portion of HUSKY B (Income Bands 1 and 2) increased about 21 percent over the pre-ACA baseline. Enrollment in HUSKY C has decreased over three percent. The greatest increase (107.6% by January 2016, compared with baseline) continues to be in HUSKY D enrollment because Connecticut opted to expand Medicaid coverage in 2014 to low-income adults without dependent children. Overall, the percentage increase in Medicaid and CHIP enrollment in Connecticut (19.2%) is less than the increase for all states that expanded Medicaid (35.5%), probably due to the fact that the state had taken many steps before 2014 to increase HUSKY coverage for children, parents, pregnant women, and low-income adults.

Most of the HUSKY Program growth occurred soon after ACA implementation and Medicaid expansion. In the first year (baseline to January 2015), enrollment grew 16.0 percent. In the second year (January 2015 to January 2016), enrollment grew just 2.7 percent overall. In the second year, enrollment declined slightly in HUSKY A (-0.8%) and C (-1.8%); enrollment grew in HUSKY B (8.6%) and D (12.6%). The net changes are due to newly eligible persons coming into the program, current enrollees maintaining coverage, and, as is typical of Medicaid, enrollees going off due to changes in personal circumstances or administrative hurdles or both.[4]

DISCUSSION

National Insurance Trends

The nationwide impact of the Affordable Care Act is clear from recent survey results that show that the number and percent of uninsured persons in the US has declined since 2013. The Gallup-Healthways Well-Being Index survey, conducted in the second quarter of 2016, showed that the uninsured rate was 11 percent, down from nearly 12 percent in the fourth quarter of 2015 and just over 17 percent in late 2013.[5] This rate is the lowest since the Gallup survey on health care coverage began in 2008. Early results from the 2015 National Health Interview Survey show that uninsured rates have decreased for children and adults, for the poor and near poor, and for adults in every racial/ethnic group.[6] This survey also revealed a lower uninsured rate for adults 18 to 64 in the Northeast (8.6%) compared with the national average (9.1%) and rates in all other regions. In September 2015, the Census Bureau released new data for 2014. According to the Current Population Report, nearly 90 percent of people had health insurance for all or part of 2014, higher than the insured rate in 2013 (86.7%).[7]

Coverage in Connecticut

In 2014, only 6.9 percent of people in Connecticut were estimated to be uninsured for the entire year, compared to a national estimate of 11.7 percent.[8]

Expanding Medicaid is a key feature of the Affordable Care Act (ACA), aimed at ensuring health insurance coverage for all Americans. Connecticut was the first state in the nation to take steps under the federal law toward expanded coverage when the state converted a previously state-funded program to Medicaid in April 2010.[9] On January 1, 2014, Connecticut became one of 28 states and the District of Columbia that expanded Medicaid for low-income adults without dependent children to the income eligibility levels established by the ACA.[10, 11] By January 2016 low income adults made up 82 percent of the overall growth in Medicaid and CHIP coverage in Connecticut. Under provisions of the Affordable Care Act, the federal government is currently paying 100 percent of the cost of coverage for newly enrolled low income adults between 2014 and 2016, a federal matching rate that will decrease to 90 percent by 2020.

For children, Congress voted to extend the CHIP funding (HUSKY B in Connecticut) to 2017. On October 1, 2015, federal reimbursement for CHIP coverage increased from 65 cents to 88 cents for every dollar Connecticut spends on coverage.

Threats to Progress in Connecticut

In 2015, the Connecticut General Assembly went along with the Governor's proposal to reduce state spending and voted to reduce income eligibility for parents who were enrolled in the HUSKY Program with their children.[12] Effective August 1, 2015 nearly 19,000 parents and relative caregivers in households with income between 155 percent and 201 percent of the federal poverty level (% FPL) ($37,665 to $48,843 for a family of four in 2016) were no longer eligible for Medicaid coverage. What happened to them varied, depending on their family circumstances:

- In all, 18,903 parents and caretakers relatives were affected by the change in income eligibility for Medicaid.
- Most of the parents (17,688) remained on Medicaid coverage for one more year, in transitional medical assistance, because they had earned income that put them over the new income eligibility level but allowed the loss of coverage to be delayed by a year. Loss of coverage was delayed by a year. Their children remained eligible for HUSKY coverage.
- Among those without earned income (1,215), nearly half qualified for another category of Medicaid eligibility and did not lose coverage. Their children remained eligible for HUSKY coverage.
- Among the parents who were not eligible for ongoing Medicaid coverage (645), only one in four enrolled in Qualified Health Plans through Access Health CT.[13]

In 2016, the Governor proposed cutting income eligibility even more, down to 138% FPL ($33,534 for a family of four). Opponents of this recommendation pointed to the fact that the full impact of last year's cut is as yet unknown. This proposal was not adopted in the final state budget.[14]

CONCLUSIONS

As a result of the Affordable Care Act, Connecticut is getting closer to covering ***every*** eligible Connecticut resident. According to Access Health CT, 116,000 people signed up for private health plans during the enrollment period that ended on February 1, 2016, through Connecticut's health insurance marketplace.[15] That number, combined with the growth in Medicaid and CHIP enrollment, goes a long way toward reducing the number of uninsured persons in Connecticut. It is important that Connecticut policy makers continue to monitor insurance status in terms of:

- **Effect of Affordable Care Act on reducing number of uninsured:** In order to have a clear picture of who remains uninsured, data on health insurance coverage should be reported by geographic area, age group, and race/ethnicity. These data can be used to inform efforts to reach individuals who remain eligible but unenrolled in any type of coverage. For those with coverage, trends should be monitored by type of coverage (HUSKY, employment-related, qualified health plans offered by Access Health CT) and whether there were gaps in coverage associated with moving between coverage options.

- **Coverage continuity for parents affected by change in income eligibility:** State law requires the Department of Social Services to report quarterly, beginning November 1, 2015, on the number of parents who remained eligible for HUSKY coverage after review, the number of parents who are no longer eligible for HUSKY who made a successful transition to health plan coverage offered by Access Health CT, as well as other data related to the impact of the change in eligibility.[16] The effect of parent coverage changes on children's coverage should also be monitored. After summing the annual premium and out-of-pocket costs per household, Connecticut Voices for Children found that for a non-smoking single parent in a family of four living in New Haven (06511) with household income at 201% FPL, the cost of healthcare through a silver Qualified Health Plan from Access Health CT can amount to a maximum of 17 percent of the household

annual income. For two non-smoking parents in a family of four living in New Haven with an annual household income at 201% FPL, the maximum costs associated can be as much as 28 percent of the household annual income.[17] When the year of transitional medical assistance comes to an end on July 31, 2016, the outcomes of eligibility reviews and referrals to Access Health CT should be monitored for these 18,000 parents and their children.

- **Impact of coverage on access to care**: Research shows that when parents are insured their children are more likely to be insured and to receive care.[18] Coverage continuity also increases the likelihood that children receive care.[19] Research also demonstrates that out-of-pocket costs (premiums, copays, deductibles and costs for care that is not covered, like vision or dental care) are a drain on family resources and may affect whether family members get needed care.[20] The newly insured may not understand the benefits available to them in the Medicaid program or the language of commercial insurance (e.g., "deductibles", "co-insurance," and the like). For Medicaid enrollees, a toll free line is available to assist HUSKY members with benefit information and with identifying participating providers. For those with new private plan coverage, it may be difficult to find a participating doctor or health service. Connecticut policymakers need to monitor how health plan costs affect access to care for those who lose HUSKY coverage. Policymakers should ensure that trusted community-based providers are available ***year-round*** to help families navigate the health insurance marketplace and the health care delivery system.

Acknowledgements

This brief was prepared by Connecticut Voices for Children Senior Policy Fellow Mary Alice Lee, Ph.D., Advocacy Director Sharon D. Langer, M.Ed., J.D., and Aparna Gomes, Yale School of Public Health student, with support from the Connecticut Health Foundation. The findings and opinions expressed in this report are those of the authors and do not represent those of the State of Connecticut.

---

[1] Centers for Medicare and Medicaid Services. Medicaid & CHIP: January 2016 Monthly Applications, Eligibility Determinations, and Enrollment Report. Issued April 13, 2016. Available at: https://www.medicaid.gov/medicaid-chip-program-information/program-information/downloads/january-2016-enrollment-report.pdf

[2] Centers for Medicare and Medicaid Services, *op.cit.* Connecticut and Maine did not submit data to CMS for July-September 2013 (pre-ACA baseline).

[3] Centers for Medicare and Medicaid Services, *op.cit.*, Table 1, page 8. In the 31 states and the District of Columbia that adopted the Medicaid expansion by January 2016, the changes in Medicaid and CHIP enrollment ranged from a 9.15% increase in Delaware to a 94.93% increase in Kentucky. Connecticut did not report baseline data for CMS to use in calculating percent change.

[4] Schwartz K, Short PF, Graefe DR, Uberoi N. Evaluating state options for reducing Medicaid churning. Health Affairs, 2015; 34(7): 1180-1187. Review of the literature on "churn" and evaluation of four administrative options for reducing coverage disruptions and interruption of ongoing care.

[5] Marken S. U.S. uninsured rate at 11.4% in second quarter. Gallup, April 7, 2016. Available at: http://www.gallup.com/poll/190484/uninsured-rate-lowest-eight-year-trend.aspx?g_source=CATEGORY_WELLBEING&g_medium=topic&g_campaign=tiles

[6] Cohen RA, Martinez ME. Health insurance coverage: early release of estimates from the National Health Interview Survey, January-September 2015. National Center for Health Statistics, February 2016. Available at: http://www.cdc.gov/nchs/data/nhis/earlyrelease/insur201602.pdf

[7] United States Census Bureau. Health insurance coverage in the United States: 2014. Current Population Reports, September 2015. Available at: https://www.census.gov/content/dam/Census/library/publications/2015/demo/p60-253.pdf

[8] United States Census Bureau, *op.cit.,* Table 1, page 26.

[9] Effective April 1, 2010, Connecticut transferred 45,000 individuals from the existing state-funded program in to Medicaid; an additional 36,000 enrolled by July 2012 (80% increase). Enrollment increased in large measure due to changes in eligibility criteria, such as the elimination of an asset test. Under the ACA, only income is taken into account in determining eligibility. Enrollment has continued to increase. With the switch to Medicaid in 2010, the federal government now shares in the cost of providing coverage to low-income adults (HUSKY D).

[10] Effective January 1, 2014, the income eligibility level for the Medicaid expansion category (HUSKY D coverage for low income adults) increased from 56% FPL to 138% FPL. In 2015, 138% FPL equals $16,393 annually for an individual.

[11]In June 2012, the United States Supreme Court determined that the Medicaid expansion under the ACA should be construed as a state option rather than a mandate in order to pass constitutional muster. See National Federation of Independent Business v. Sebelius, 567 U.S. 1 (2012). The case was heard together with Florida v. Department of Health and Human Services. For an analysis of the Supreme Court decision, see, for example, Kaiser Commission on Medicaid and the Uninsured, *Guide to the Supreme Court's Affordable Care Act Decision (July 2012)*, available at http://kff.org/health-reform/issue-brief/a-guide-to-the-supreme-courts-affordable/.
[12] Conn.Gen.Stat. (Rev. to 2016) Sec.17b-261(a).
[13] Connecticut Department of Social Services' report to the Connecticut General Assembly's Council for Medical Assistance Program Oversight, February 19, 2016. This report was revised by the Department on April 5, 2016 to reflect the correction to the number of individuals who were found eligible for HUSKY C or Medicaid Savings Program coverage.
[14] Neither the budget bill nor the bill implementing the budget contained changes to HUSKY A eligibility for parents. Public Acts, Spec. Session, May 2016, No. 16-2, An Act Adjusting the State Budget for the Biennium Ending June 30, 2017; No. 16-3, An Act Concerning Revenue and Other Items to Implement the Budget for the Biennium Ending June 30, 2017.
[15] Levin Becker A. 116,019 CT residents signed up for Obamacare plans. CT Mirror, February 8, 2016. Available at: http://ctmirror.org/2016/02/08/116019-ct-residents-signed-up-for-obamacare-plans/
[16] Conn. Gen. Stat. Sec. 17b-261u.
[17] Langer S, Lee MA, Gomes DA. HUSKY Program Coverage for Parents: Most Families Will Feel the Full Impact of Income Eligibility Cut Later in 2016. Connecticut Voices for Children, April 2016. Available at: http://www.ctvoices.org/publications/husky-program-coverage-parents-most-families-will-feel-full-impact-income-eligibility-c
[18] Rosenbaum S, Whittington RPT. Parental health insurance coverage as child health policy: evidence from the literature. The George Washington University School of Public Health and Health Services Department of Health Policy, June 2007. Available at: http://publichealth.gwu.edu/departments/healthpolicy/CHPR/downloads/Parental_Health_Insurance_Report.pdf.
[19] Lee MA, Feder K, Langer SD. Coverage continuity in the HUSKY Program increases children's preventive medical and dental care utilization. New Haven, CT: Connecticut Voices for Children, March 2015. Available at: http://www.ctvoices.org/publications/coverage-continuity-husky-program-increases-childrens-preventive-medical-and-dental-care.
[20] Perry M, Cummings J. Snapshots from the kitchen table: family budgets and health care. Washington, DC: The Kaiser Commission on Medicaid and the Uninsured, February 2009. Available at: http://kff.org/health-costs/report/snapshots-from-the-kitchen-table-family-budgets/.