Testimony Opposing the Governor's Budget Recommendations for the Department of Social Services

Sharon D. Langer, M.Ed., J.D.
Advocacy Director
Appropriations Committee
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Senator Osten, Senator Formica, Representative Walker, Representative Ziobron, and members of the Appropriations Committee,

I am submitting this testimony today on behalf of Connecticut Voices for Children, a research-based child advocacy organization working to ensure that all Connecticut children have an equitable opportunity to achieve their full potential. I will be addressing the Governor's health coverage and health care proposals that relate to the Department of Social Services and directly affect low-income families. In separate testimony, my colleague Lauren Ruth, Ph.D. will be testifying about the implications of the Governor's budget proposal related to the Department of Children and Families. In addition, we will address our objections to the transfer of Care4Kids funding from the Office of Early Childhood (OEC) to the Department of Social Services at next week's appropriations hearing concerning OEC's budget.

We understand the challenges that this committee and the legislature as a whole face in crafting the state budget with a projected $1.5 billion deficit for FY 18. However, low and middle income families are being asked to bear the brunt of the human services program cuts and tax increases proposed by the Governor. Recognizing the challenges faced by this body, Connecticut Voices for Children has put forward a menu of options that would provide a more equitable approach to raising the revenue needed to sustain the HUSKY program and other critical supports for low-income children and families.[1]

We oppose the reduction in the income eligibility for parents of children on HUSKY A (Medicaid) and oppose the cap on dental services for all adults on Medicaid, including HUSKY A parents.

In Connecticut, the HUSKY Program (Medicaid and the Children's Health Insurance Program) provides health insurance for about 300,000 children and over 150,000 low-income parents and pregnant women.[2] Until 2015, entire families - children and their parents or relative caregivers – were eligible in households with income under 201 percent of the federal poverty level (FPL).[3] Research has demonstrated that when whole families are insured, children are more likely to maintain insurance coverage and access to health care. Children in low-income families are three times more likely to be uninsured if their parents are uninsured. [4]

1. **The reduction in HUSKY A eligibility for low-income parents will lead to thousands becoming uninsured.**

As a way to reduce state spending beginning in FY 16 the Governor and the General Assembly agreed to cut eligibility for parents and relative caregivers to 155 percent FPL ($31,248 for a family

of three). Of those parents affected by the 2015 eligibility reduction, 42 percent or almost 8,000 were no longer covered by HUSKY or a health plan offered by Access Health CT, the state's health insurance exchange, and are likely to have gone without health insurance coverage.[5] We note that only 16 percent of the 18,000 affected parents purchased coverage through Access Health CT.[6] ***We have no data on whether any eligible children lost coverage or whether the parents' loss of health coverage otherwise negatively impacted the children in the family.***

Now the Governor's proposed budget for FY 18 and FY 19 would further reduce income eligibility for parents of children on HUSKY A from 155 percent FPL to 138 percent FPL ($27,821 for a family of three), affecting approximately 9,500 low-income parents.[7] As a result, and based on data from the Department of Social Services, we can expect that thousands more low-income parents or relative caregivers will become uninsured - putting their health at risk and making it less likely that their eligible children remain insured and have access to health services.

Connecticut has been a national leader in providing cost effective and quality health coverage for low-income children and families through HUSKY. Our state is home to one of the lowest uninsured rates among children and adults in the nation, with a rate of 3.3 percent for children and a decrease in the rate for adults from 6.9 percent in 2014 to 6 percent in 2015.[8] Just 8 states and the District of Columbia have lower uninsured rates than Connecticut. Although the rates of uninsured have dropped for black and Hispanic state residents (8.9 percent and 15.1 percent, respectively), they still have significantly higher rates of un-insurance than white residents (4.5 percent).[9] Black and Hispanic residents have higher rates of coverage through HUSKY than other types of insurance, likely putting them at higher risk for loss of coverage under the Governor's proposal.

Although the above data demonstrate that Connecticut has been in the forefront of reducing the rate of un-insurance, we are heading in the wrong direction with this proposed additional cut to HUSKY eligibility.

2. **Annual cap on Medicaid dental coverage will prevent low-income adults (including HUSKY A parents) from getting the health care they need.**

Our state has also been a leader in recognizing that oral health is a part of overall health, and has been recognized for having one of the best – if not the best - Medicaid dental program in the nation. Connecticut Voices has written extensively about the importance of oral health to overall health and the successes and challenges of the HUSKY dental program for children and families.[10]

The proposed annual cap of $1,000 will make it less likely that adults on Medicaid will receive timely dental services that can ward off the need for emergency care, and the treatment of much more expensive conditions, such as systemic infections and pneumonia.[11] In addition, untreated dental caries and other disease results in severe pain and loss of teeth which in turn lead to poor nutrition, low self-esteem, depression and decreased employability.[12] Although the Governor's proposal includes a provision that the cap can be lifted for "medically necessary" services, it is generally recognized that the need for prior authorization for dental services acts as a barrier to care – dentists are less likely to take the time to submit the required paper work and patients less likely to appeal a medically necessary denial for services.

For all these reasons we oppose the cap on dental coverage for HUSKY adults.

3. **HUSKY Independent Performance Monitoring did not duplicate the functions of the Administrative Services Organizations in the HUSKY Program.**

As the Governor budget indicates there are no longer dollars in the state budget for "HUSKY independent performance monitoring". The performance monitoring was conducted by Connecticut Voices for Children under a contract between the Department of Social Services and the Connecticut Health Foundation. Due to repeated cuts in state funding, Connecticut Voices for Children could no longer carry out the project, and reluctantly ended the contract in July 2016. Since 1995, legislators, agency staff and policy makers have relied on the project's independent analyses of program data and policies for assessing the impact of policy changes and identifying areas for improvement.[13] One area of focus of the project has been reporting on health insurance enrollment trends, coverage continuity and gaps in coverage.[14] The project did not duplicate the work of the HUSKY program administrative service organizations as suggested by the Governor's budget document. In fact the state has relied on our data analyses in putting together the Governor's proposed budget: Just recently OPM Secretary Barnes indicated that the source of the HUSKY enrollment data to be used in the proposed revision to the Educational Cost Sharing formula came from Connecticut Voices for Children. Up until July 2016 we had access to HUSKY enrollment data by town which we published on a quarterly basis on our website.[15] That dataset is not published by the Department of Social Services which oversees the HUSKY program.

Thank you for this opportunity to submit testimony opposing provisions of H.B.7040 related to HUSKY eligibility, access to dental services and the transfer of Care4Kids funding to DSS, as well commenting about the HUSKY independent performance monitoring project.

I can be reached at: slanger@ctvoices.org; 203-498-4240 (x121) or 860-490-5441 (cell).

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[1] Thomas D. Revenue Options are Key to Addressing Shortfalls and Supporting Thriving Families. Connecticut Voices for Children (January 2017). Available at: http://www.ctvoices.org/sites/default/files/Revenue%20Options%202017%20FINAL%20updated.pdf

[2] Medicaid Overview, Connecticut General Assembly Office of Legislative Research and Office of Fiscal Analysis, February 6, 2017. Available at: https://www.cga.ct.gov/med/council/2017/0206/20170206ATTACH_OLR%20and%20OFA%20-%20Medicaid%20Presentation.pdf

[3] Public Act 15-5, Section 370, June Sp. Sess. 2015.

[4] Schwartz K. Spotlight on uninsured parents: How a lack of coverage affects parents and their families. Washington DC: Kaiser Commission on Medicaid and the Uninsured, June 2007. See also: DeVoe JE, Krois L, Edlund C, Smith J, Carlson NE. Uninsured but eligible children: are their parents insured? Recent findings from Oregon. Medical Care, 2008 Jan; 46(1): 3-8.

[5] HUSKY A Transition, Department of Social Services presentation to the Council on Medical Assistance Program Oversight, (Dec. 9, 2016). Available at: https://www.cga.ct.gov/med/council/2016/1209/20161209ATTACH_HUSKY%20A%20Transitions%20Presentation.pdf

[6] Id.

[7] http://www.ct.gov/opm/lib/opm/budget/2018_2019_biennial_budget/budgetdocs/021.sec.b.pdf

[8] Thomas D and Noonan R. American Community Survey 2015: Connecticut Residents See Income and Health Insurance Gains, But Child Poverty Remains High, Connecticut Voices for Children, September 2016. Available at: http://www.ctvoices.org/sites/default/files/2016%20ACS%20Brief%20Final.pdf

[9] Id.

[10] Lee MA. Dental Services for Children and Parents in the HUSKY Program: An Update for 2014. Connecticut Voices for Children (July 2016). Available at: http://www.ctvoices.org/publications/dental-services-children-and-parents-husky-program-update-2014

[11] Oral Health in Connecticut (December 2013). Connecticut Department of Public Health. Available at: http://www.ct.gov/dph/lib/dph/oral_health/pdf/final_oral_health_burden_report_2013.pdf

[12] Id.

[13] See, for example, Lee MA and Feder K, (and Learned A., Maximus, Inc). Births to Mothers with HUSKY Program Coverage (Medicaid and CHIP): 2012. Connecticut Voices for Children (June 2016). Available at: http://www.ctvoices.org/sites/default/files/h16birthstomotherswithHUSKY2012.pdf

[14] See for example, Lee, MA. Gaps or Loss of Coverage in the HUSKY Program: A 2016 Update. Connecticut Voices for Children (July 2016). Available at: http://www.ctvoices.org/sites/default/files/h15huskycoveragegaps20102012201320142015.pdf

[15] HUSKY Enrollment Data byTown and Statewide. (Source: Department of Social Services with analysis by Connecticut Voices for Children.) Available at: http://www.ctvoices.org/node/2675