

**Testimony Opposing H.B. 7040: An Act Implementing the Governor's Budget
Recommendations for Human Services Programs**

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Senator Moore, Senator Markley, Representative Abercrombie, Representative Case, and members of the Human Services 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, as well as the proposed transfer of Birth-to-Three from the Office of Early Childhood to the Department of Social Services.

We understand the challenges that this committee and the legislature as a whole face in crafting the state budget with a projected \$3.6 billion deficit for the next biennium. 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.¹ 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.²

We oppose the reduction in the income eligibility for parents of children on HUSKY A (Sec. 11), and the cap on dental services for all adults on Medicaid, including HUSKY A parents (Sec. 24).

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.³ 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).⁴ 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.⁵

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.⁶ We note that

only 16 percent of the 18,000 affected parents purchased coverage through Access Health CT.⁷ *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.⁸ 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. University of Massachusetts researchers estimate that families who would be affected by the proposed further reduction in eligibility could expect to pay at least four percent of their income (an additional \$100 per month or over \$1,200 per year) to access coverage through Access Health CT.⁹ The researchers also note that "a study measuring low income families' sensitivity to increasing premiums in publicly subsidized insurance programs estimated that a premium equal to about 5 percent of a family's income results in [only] a 20 percent participation rate among eligible people."¹⁰

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 2015.¹¹ 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).¹² 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.¹³

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.¹⁴ 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.¹⁵ 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.

We oppose the transfer of Birth-to-Three out of the Office of Early Childhood to the Department of Social Services (Secs 2-4).

As a whole, the budget cuts and transfers of programs out of the Office of Early Childhood (OEC) would diminish the ability of the OEC to support and expand high-quality coordinated affordable child care and education from birth to five.

The transfer of Birth-to-Three out of OEC represents 53 percent of the reduction to the OEC budget. Birth-to-Three provides early intervention services for infants and toddlers with disabilities and to their families. The program is a federal entitlement under the Individuals with Disabilities Education Act (IDEA).¹⁶ Previously, the program had been housed within the Department of Developmental Services (DDS), but was divided in FY 2016 between the Department of Social Services (DSS) and the OEC. For FY 2018, the Governor proposes unifying the program within DSS. The removal of Birth-to-Three from the OEC would diminish the Office's efforts to support coordinated high-quality care. Notably, the transfer would represent a \$32.8 million cut from the OEC, but only \$14.2 million would be subsequently transferred into DSS. Birth-to-Three has been underfunded in past years, including FY 2016, leading to the need to fill deficiencies throughout the fiscal year as funding for this entitlement runs out.

Thank you for this opportunity to testify regarding H.B. 7040.

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¹ Thomas D. et al., The Governor's Budget – A Comparison to Current Year Appropriations. Connecticut Voices for Children (February 2017). Available at:

<http://www.ctvoices.org/sites/default/files/Governor's%20Budget%20FINAL%202017.pdf>

² 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>

³ 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

⁴ Public Act 15-5, Section 370, June Sp. Sess. 2015.

⁵ 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.

⁶ 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

⁷ Id.

⁸ http://www.ct.gov/opm/lib/opm/budget/2018_2019_biennial_budget/budgetdocs/021.sec.b.pdf

⁹ Seifert R and Gershon R., Center for Health Law and Economics, University of Massachusetts Medical Center. Impact of Reducing Eligibility for HUSKY Parents from 155% of FPL to 138% of FPL, Connecticut Health Foundation (March 2017).

¹⁰ Id.

¹¹ 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>

¹² Id.

¹³ 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>

¹⁴ 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

¹⁵ Id.

¹⁶ Connecticut Birth-To-Three Program. 2016: <http://www.birth23.org/>