CONNECTICUT VOICES FOR CHILDREN

20 YEARS OF ADVANCING OPPORTUNITIES FOR CHILDREN AND FAMILIES

Testimony Regarding H.B. 5326: An Act Concerning Medicaid Funding

Karen Siegel, MPH
Health Policy Fellow, Connecticut Voices for Children
Appropriations Committee
March 9, 2018

Senator Osten, Senator Formica, Representative Walker, Representative Ziobron, and esteemed members of the Appropriations Committee,

My name is Karen Siegel, and I am submitting 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 am also a concerned citizen, long-time resident of New Haven County, and former Medicaid enrollee.

Connecticut's HUSKY (Medicaid and CHIP) programs are key to our state's success. Connecticut has achieved insurance rates for children and adults that are among the highest in the nation, and this is due in large part to the state's HUSKY programs.[1] We know that Medicaid coverage reduces poverty, provides lifelong benefits for children, and helps to reduce infant mortality rates—in part by ensuring that women can access preventive care throughout their lives.[2] The HUSKY program also boasts impressive fiscal efficiency with the lowest per member per month Medicaid costs nationwide.[3] Further, the state share of Medicaid spending has remained stable since 2014 and was lower in state fiscal year (SFY) 2017 than in SFY 2014.[4] Federal funding comprises 59 percent of Connecticut's Medicaid spending.[5]

Unfortunately, cuts in recent years have eroded some of this progress. The number of uninsured adults and children in Connecticut is highly likely to increase due to the difficult decision to reduce Medicaid's income eligibility level for parents. Though no analysis has been done to assess the impact of these changes on children, we know that 78 percent of parents who lost Medicaid coverage as a result of cuts enacted in 2015 had no known insurance as of October 2017.[6] While it is possible that some of these families moved out of state or enrolled in an employer-based health plan, it is highly likely that the majority remain uninsured. Many families cannot afford insurance, even with subsidies and limits on cost sharing.[7] Of the roughly 20 percent of parents who lost coverage and remained enrolled in coverage through the health insurance exchange as of October 2017, nearly half had experienced a gap in coverage.[8]

Most of the roughly 13,600 parents impacted by the 2017 eligibility reductions had income, which means they will remain covered until January 1, 2019. Given the lower income level of this second group of parents, there is no reason to believe that a higher percentage of this group will purchase coverage through the Access Health CT exchange when they lose coverage at the end of 2018. Thus, eligibility cuts will result in a widening coverage gap—thousands of parents who cannot afford coverage, but are not eligible for HUSKY programs. A larger coverage gap may cause increases in per member per month costs as healthy individuals leave the risk pool. More importantly, it will

force individuals to forego preventive care and to rely on expensive emergency rooms and uncompensated care.

The HUSKY programs are crucial to the success of our state. Access to medical care through HUSKY gives parents the opportunity to be healthy enough to parent well and work consistently. We know that when parents are insured, eligible children are more likely to be insured and to receive care.[9] In addition, Medicaid has been shown to not only offer lifelong health impacts for children, but also to reduce poverty and offer the support parents need to continue working or look for work.[10] Investing in Medicaid is investing in the state's success over the long term.

In addition to vital preventive care, parents and children can access dental services, mental and behavioral health services—including addiction services, and treatment for chronic conditions such as asthma or high blood pressure. Reducing Medicaid spending may provide a short-term solution to budget concerns; however, the long-term consequences will be severe. To build a future Connecticut that is economically successful, has an empowered and attractive workforce, and offers equitable opportunities to all our families, we must invest in the basic health services that will make this future possible. To attain this goal, Connecticut must prepare for planned reductions in federal funding for HUSKY B, our state's CHIP program, as well as proposals to cut federal Medicaid funding in the near term.

We urge the General Assembly to fully restore HUSKY A eligibility by studying ways to restore revenue streams so that they are modernized to reflect a changing economy and more equitable.

Thank you for the opportunity to submit testimony regarding H.B. 5326. I can be reached with any questions at ksiegel@ctvoices.org or at 203-498-4240, ext. 120.

---

[1] Connecticut Voices for Children. (2018) "Reductions in Poverty, Uninsurance at Risk Due to New Budget." Retrieved from: http://www.ctvoices.org/census2016
Kaiser Family Foundation. (2016) "Health Insurance Coverage of the Total Population." Retrieved from: https://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Uninsured%22,%22sort%22:%22desc%22%7D

[2] Sommers, B. and Oellerich, D. (2013) "The poverty-reducing effect of Medicaid." Journal of Health Economics. 32:5. https://doi.org/10.1016/j.jhealeco.2013.06.005
Center for Children and Families. (2017) "Medicaid is a Smart Investment in Children." Retrieved from: https://ccf.georgetown.edu/wp-content/uploads/2017/03/MedicaidSmartInvestment.pdf
Bhatt, C. and Beck-Sague, C. (2018) "Medicaid Expansion and Infant Mortality in the United States." *American Journal of Public Health*. doi: 10.2105/AJPH.2017.304218

[3] CT Department of Social Services. (2017) "Connecticut HUSKY Health: Cost Drivers, Reform Agenda, Outcomes, and Recommendations for Future State." Retrieved from:https://www.cga.ct.gov/fin/tfs/20171205_Commission%20on%20Fiscal%20Stability%20and%20Economic%20Growth/20180124/Department%20of%20Social%20Services%20Presentation.pdf

[4] CT Department of Social Services. (2017) "Connecticut HUSKY Health: Cost Drivers, Reform Agenda, Outcomes, and Recommendations for Future State." Retrieved from:https://www.cga.ct.gov/fin/tfs/20171205_Commission%20on%20Fiscal%20Stability%20and%20Economic%20Growth/20180124/Department%20of%20Social%20Services%20Presentation.pdf

[5] Connecticut Department of Social Services. "Financial Trends in the Connecticut HUSKY Health Program." Presented to MAPOC on February 9, 2018. Available from: https://www.cga.ct.gov/med/council/2018/0209/20180209ATTACH_HUSKY%20Financial%20Trends%20Presentation.pdf

[6] Connecticut Department of Social Services. (2017) "HUSKY A Parent Transition." Presented to MAPOC on November 17, 2017. Available from:

https://www.cga.ct.gov/med/council/2017/1117/20171117ATTACH_HUSKY%20A%20Transitions%20Report;%20October%202017.pdf

[7] Connecticut Voices for Children. (2016) "HUSKY Program Coverage for Parents: Most Families Will Feel the Full Impact of Income Eligibility Cut Later in 2016." Retrieved from: http://www.ctvoices.org/publications/husky-program-coverage-parents-most-families-will-feel-full-impact-income-eligibility-c

[8] Connecticut Department of Social Services. (2017) "HUSKY A Parent Transition." Presented to MAPOC on November 17, 2017. Available from: https://www.cga.ct.gov/med/council/2017/1117/20171117ATTACH_HUSKY%20A%20Transitions%20Report;%20October%202017.pdf

[9] Hudson, J and Moriya A. (2017) "Medicaid Expansion for Adults had Measurable 'Welcome Mat' Effects on Their Children." HealthAffairs; September 2017 36:91643-1651 http://content.healthaffairs.org/content/36/9/1643.abstract

[10] Sommers, B. and Oellerich, D. (2013) "The poverty-reducing effect of Medicaid." Journal of Health Economics. 32:5. https://doi.org/10.1016/j.jhealeco.2013.06.005

Center for Children and Families. (2017) "Medicaid is a Smart Investment in Children." Retrieved from: https://ccf.georgetown.edu/wp-content/uploads/2017/03/MedicaidSmartInvestment.pdf

Bhatt, C. and Beck-Sague, C. (2018) "Medicaid Expansion and Infant Mortality in the United States." *American Journal of Public Health*. doi: 10.2105/AJPH.2017.304218