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33 Whitney Avenue
New Haven, CT 06510
203.498.4240
www.ctvoices.org

Testimony Regarding H.B. 7164: An Act Implementing the Governor's Budget Recommendations for Human Services

Karen Siegel, M.P.H.
Human Services Committee
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Senator Moore, Representative Abercrombie, Senator Logan, Representative Case, and esteemed members of the Human Services Committee,

I am testifying 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. Thank you for this opportunity to submit testimony regarding implementation of the Governor's budget recommendations for human services.

We support the recommendation to ***maintain the provisions of the Governor's Budget that protect families' eligibility for Medicaid and CHIP*** and recommend a series of strategic investments and cost-saving measures across health and social service agencies. As discussed below, we support many of the recommended initiatives IF they are carefully evaluated for their impact on the quality of care and on health equity. When addressing services as lean as Connecticut's Medicaid program,[1] it is especially crucial to ensure that attempts to save money do not inadvertently result in poor quality of life or difficulty in accessing services. Evidence to date suggests that health reforms can widen racial disparities when not implemented with health equity as a clear and measurable goal.[2]

The budget recommendations include applying several cost-saving measures to Medicaid. Innovative efforts such as supportive housing for high cost, high need individuals included in the proposed budget could offer a path to better addressing social determinants of health through the HUSKY Health programs. The supportive housing initiative is a collaboration between the Department of Social Services and the Department of Housing to provide support for individuals who experience homelessness and incur high medical costs, often due to co-occurring uncontrolled chronic disease and substance use disorders. This ***whole-person delivery model has the potential for dramatic improvements in health outcomes and savings*** in state spending across sectors.[3] We are optimistic that careful analysis of this project can inform potential future expansion to other populations for whom community-based supports would improve outcomes and reduce medical costs. For example, Connecticut's Medicaid program was included in an Early Childhood Innovation Lab[4] and could, but does not yet, apply new approaches to addressing social determinants of health for families with young children. Lessons from the supportive housing project may be relevant to families at risk of homelessness or in need of community-based supports. Further, implementing the Diabetes Prevention Program could both improve outcomes and save costs for Medicaid recipients over age 45.[5]

The impact of other measures intended to maximize efficiency depends heavily on how such measures are operationalized. For example, utilization management could limit use of a broad array of services or prescription drugs and result in reduction of unnecessary or sub-optimal utilization of specific interventions.

However, utilization management can also serve as a barrier to care by adding administrative burden for interventions or medications that are both expensive and necessary.

Similarly, hospital readmission rates can be reduced by improving the health of patients and increasing coordination with community-based supports, but readmission rates also drop when mortality rates increase. Thus, any reward for such reductions must include quality measures and account for potential underservice for people with complex and chronic illnesses, particularly when they lack supports such as adequate food and housing. Without such supports, it can be nearly impossible to manage one's illness.

Existing hospital readmission rate reduction programs have been criticized[6] for using inadequate quality controls and failing to account for variations in the socio-economic status of the populations served by different hospitals. Connecticut's deep disparities in income and in health outcomes for the state's Black and Brown residents[7] could result in this effort penalizing institutions that serve populations with the highest levels of need. Such efforts are more likely to improve outcomes and reduce costs when carefully implemented and coupled with innovations that address social determinants of health, such as the housing support initiative noted above. ***We recommend transparency in the design and evaluation of utilization management and hospital readmission rate reduction initiatives***.

Further, the Department of Social Services will see an increase in eligibility staff. This step may alleviate some of the concerns related to reports of difficulty in renewing and applying for services and issues with call center wait times that have been voiced at recent events, such as the Council on Medical Assistance Program Oversight (MAPOC) meetings. To evaluate whether or not increased staffing addresses these concerns, the Department of Social Services should report to MAPOC on Medicaid disenrollment by reason on a monthly basis. Avoiding "churn" in and out of Medicaid programs improves access to care and saves on administrative costs.

Finally, the Governor's recommendations do not reverse the cut in eligibility for parents and caregivers made in 2015. This cut resulted in over 11,000 parents/caregivers losing Medicaid coverage. Restoring parent eligibility limits to 201% FPL ($42,873 for a family of three) would align eligibility limits for parents and children and address the needs of families who are uninsured. These parents cannot afford the out-of-pocket costs associated with commercial health plans offered on the state health insurance exchange (even with full cost sharing subsidies). ***As the state considers raising the minimum wage, we must make certain that families can remain insured when their income increases***. For parents in the 155-201% FPL range, restoring Medicaid to 201% FPL is the most immediate and feasible way to do so.

Aligning parent and child eligibility limits eliminates confusion about which members of a family are covered at any given time and as income fluctuates. Further, since children are both more likely to be insured and to see a doctor when their parents are covered, restoring parent eligibility likely would have a positive ripple effect on children.[8] Several studies show that Medicaid coverage has lifelong positive impacts on children's health and success in school and work, reduces state spending on uncompensated care as well as on juvenile justice and corrections, and may improve employment.[9] Ultimately, Medicaid coverage for families is a wise investment in the well-being of our state.

Thank you for the opportunity to testify regarding implementation of the Governor's recommended budget for human services. I can be reached with any questions at ksiegel@ctvoices.org or at 203-498-4240, ext. 120.

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