

Testimony Regarding H.B. 7339: An Act Concerning a Public Insurance Option

Testimony Supporting S.B. 1053: An Act Expanding Medicaid and HUSKY B Coverage for Children

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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 submitting this testimony 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 H.B. 7339 and supporting S.B. 1053.

Testimony Regarding HB 7339: An Act Concerning a Public Insurance Option

We strongly support efforts to address rising rates of uninsurance in Connecticut and to make insurance affordable. As a small employer trying to provide affordable health insurance to our staff, we see the need for more and better options. As advocates for low-income families of color, we are concerned about the 2017 increase in uninsurance rates and about the large, ongoing gap in coverage rates between the state's white residents and residents of color.¹ Yet, how health insurance options are designed and implemented can have serious, life-altering consequences. To that end, ***we respectfully submit recommendations for amending this proposal to address who the public option will benefit, how it will be structured, and how it will guard against unintended harm to enrollees in existing public health insurance programs.***

Specifically, we recommend:

1. requiring that the workgroup's recommendations protect Medicaid eligibility, access, and quality;
2. considering affordability for the lowest income families who are ineligible for Medicaid;
3. including input from consumer advocates who are diverse in needs (by age and disability status) and racial and ethnic background, among other factors;
4. that the working group's output should address who the public option will aim to enroll since a public option designed to reach low-income families will need to address different barriers than one intending to reach higher income families ineligible for cost-sharing subsidies for state marketplace plans;
5. that the working group be required to detail how the offering would be structured and implemented because plan administration can have a significant impact on the network of providers and the administrative costs; and
6. clarifying, in section 1.c., how stakeholder input will be gathered and included and specifying that this input will include the perspectives of families with young children, people with disabilities, and people of color.

Data from the 2017 American Community Survey indicated the first increase in uninsured residents of Connecticut since implementation of the Affordable Care Act began.² While this increase was small, we are particularly concerned about access to health insurance for low-income families. In addition, the gaps in rates of insurance coverage between white and Black and white and Latino residents of the state held steady in 2017 after shrinking for several years.³ Structural racism and related income inequality mean that our state’s Black and Brown residents are more likely than white residents to work in low-wage jobs that do not offer health insurance or that offer coverage that is too costly to afford.

As a result of cuts made in 2015, over 11,000 parents and caregivers lost their HUSKY Health (Connecticut’s Medicaid and CHIP programs) coverage in 2016.⁴ As of November 2017, when tracking ended, 78% of these parents had no known insurance coverage. Health insurance, even with subsidized rates available through the state’s health insurance exchange can be unaffordable for families in this income bracket. In 2019, a family of four with a household income of \$40,000/year (159% FPL) could spend up to 26% (\$10,457) of the total family income on out-of-pocket costs to cover two adults on the health insurance exchange (the children would remain eligible for HUSKY coverage).⁵ With Connecticut’s high cost of living, this means that parents must choose between basic necessities like utilities, food, and gas and health insurance coverage.

According to 2017 American Community Survey data, those in households earning over \$100,000/year had the lowest rate of uninsurance. This is the income bracket least likely to be eligible for cost-sharing reductions in the state health insurance exchange. Yet, the number of uninsured Connecticut residents in this income bracket remains high and is exceeded only by the number of uninsured Connecticut residents in households earning \$25,000-\$49,999/year (see chart below). This latter group is most likely to exceed Medicaid income eligibility limits and to be unable to afford the out-of-pocket costs of the health insurance exchange even with subsidies.

Uninsured in Connecticut by Household Income⁶

| Household Income | Number Uninsured | % Uninsured |
|------------------|------------------|-------------|
| Under \$25K | 29,513 | 7.9% |
| \$25-\$49.99K | 47,892 | 8.8% |
| \$50-\$74.9K | 37,093 | 7.2% |
| \$75-99.9K | 28,454 | 6.1% |
| \$100K or more | 46,834 | 3.0% |
| Total | 189,786 | 5.5% |

Health insurance has numerous, cross-sector benefits, which include reduced state spending on uncompensated care, improved health outcomes, a more productive workforce, and reduced medical debt. People who lack health insurance are more likely to skip preventive care and postpone or forego medication and treatment for chronic or unexpected illnesses.⁷ Gaining access to health insurance is associated with improved self-reported health, improved access to health care, and lower rates of stress and depression.⁸

While striving to ensure that all Connecticut residents have access to health insurance, it is crucial to note the dramatic successes of our state’s unique Medicaid program. Any public option designed to utilize the administrative structures of the state’s HUSKY program must safeguard improvements in provider networks, robust quality of care, and nationally lauded fiscal efficiency.⁹

Finally, as a small employer, Connecticut Voices for Children has limited choices when seeking coverage for our staff of twelve. High-deductible plans are the norm and mid-level staff now experience family deductibles of roughly 15% of annual salary, not accounting for premiums, co-insurance, and other out-of-pocket costs. An affordable, robust public option could directly benefit our organization, reducing both out-of-pocket spending for our staff and fringe benefit costs that make up a large share of our small organization's overhead.

Testimony Supporting SB 1053: An Act Expanding Medicaid and HUSKY B Coverage for Children

Covering all uninsured, income-eligible children could significantly reduce child uninsurance rates in Connecticut. Washington D.C. and six states already cover children under public health insurance programs regardless of immigration status. As noted above, health insurance coverage is associated with reduced state spending on uncompensated care, improved health outcomes, and reduced medical debt.

Approximately three percent (29,000) of Connecticut's children had no health insurance coverage in 2017.¹⁰ Roughly 17,000 of Connecticut's uninsured children are undocumented.¹¹ About half of undocumented families earn less than 200% FPL; so, more than half of this population might become eligible for HUSKY programs should this proposal be enacted.¹² Connecticut already includes lawfully present immigrant children and pregnant women in HUSKY coverage based on income limits alone.¹³ The Center for Children's Advocacy estimates that this coverage will cost the state roughly \$2,480/child/year.¹⁴ Including children without documents is the next step to reaching uninsured children in our state.

When children lack insurance, they lack access to early intervention and routine preventive care and are more likely to rely on emergency departments when care is urgently needed.¹⁵ Uncompensated care by clinics and hospitals is already paid for by the state. Covering children under the HUSKY programs and increasing their access to preventive care could reduce state spending on uncompensated care.

Thank you for the opportunity to testify regarding H.B. 7339 and supporting S.B. 1053. I can be reached with any questions at ksiegel@ctvoices.org or at 203-498-4240, ext. 120.

¹ Connecticut Voices for Children. (2018) "Declining Health Insurance Coverage and Stagnant Incomes in Connecticut: Latest Data from the American Community Survey." Retrieved from: <http://www.ctvoices.org/publications/declining-health-insurance-coverage-and-stagnant-incomes-connecticut-latest-data-america>

² Ibid

³ Ibid

⁴ Connecticut Voices for Children. (2018). "HUSKY A for Parents and Caregivers: Restoring Health Coverage for Families." Retrieved from: <http://www.ctvoices.org/sites/default/files/Husky%20coverage%20fact%20sheet%20v2.pdf>

⁵ Kaiser Family Foundation. (2019) "Health Insurance Marketplace Calculator." Available at: <https://www.kff.org/interactive/subsidy-calculator/>

⁶ Connecticut Voices for Children Analysis of 2017 American Community Survey 1-year Estimates. "Health Insurance Coverage Status and Type by Household Income in the Past 12 Months (In 2017 Inflation-Adjusted Dollars)."

⁷ Kaiser Family Foundation. (2019). Key Facts about Health Insurance and the Uninsured amidst Changes to the Affordable Care Act” Retrieved from: <https://www.kff.org/uninsured/report/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act/>

⁸ Ibid

⁹ For more on Connecticut’s Medicaid program, see our fact sheets:

<http://www.ctvoices.org/blog/20190117/health-coverage-connecticut-husky-health-fact-sheets>

¹⁰ Connecticut Voices for Children analysis of 2017 American Community Survey data. “S2701: Selected Characteristics of Health Insurance Coverage in the United States.”

¹¹ Center for Children’s Advocacy estimate based on American Community Survey and Migration Policy Institute data.

¹² Migration Policy Institute. “Profile of the Unauthorized Population: Connecticut.” Retrieved from: <https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/CT>

¹³ Connecticut Voices for Children. (2018) “HUSKY Eligibility Manual.” Retrieved from: <http://www.ctvoices.org/sites/default/files/full-images/HUSKYManual%20October%20Final.pdf>

¹⁴ Center for Children’s Advocacy. (2019) “Healthcare for Undocumented Children.” Retrieved from: <https://cca-ct.org/healthcareforallchildren/>

¹⁵ Percheski, C. & Bzostek, S. (2017) “Public Health Insurance and Health Care Utilization for Children in Immigrant Families.” *Maternal and Child Health Journal*. 21.