



Senate

General Assembly

File No. 493

January Session, 2003

Substitute Senate Bill No. 1147

Senate, April 23, 2003

The Committee on Public Health reported through SEN. MURPHY of the 16th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING HEALTH INSURANCE FOR LOW INCOME ADULTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2003*) (a) On or before October 1,
2 2003, the Commissioner of Social Services shall apply for a waiver of
3 federal law to permit individuals (1) who do not have private health
4 insurance, and (2) with incomes that do not exceed two hundred fifty
5 per cent of the federal poverty level, to be eligible for unsubsidized
6 benefits under the HUSKY Plan, Part B, and upon approval of such
7 waiver, the commissioner shall implement such insurance program.
- 8 (b) Individuals obtaining health insurance benefits pursuant to this
9 section shall bear all costs for such benefits and no such costs shall be
10 borne by the Department of Social Services.

This act shall take effect as follows:

Section 1	<i>July 1, 2003</i>
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PH *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Type	FY 04 \$	FY 05 \$
Department of Social Services	GF - Cost	Potential Significant	Potential Significant

Municipal Impact: None

Explanation

This bill requires the Department of Social Services (DSS) to apply for a federal waiver in order to permit individuals with incomes under 250% of the federal poverty level and who are uninsured to be eligible for health insurance under the HUSKY B program. These benefits would not be subsidized by the state.

DSS will incur additional administrative costs to develop and submit the necessary waiver. Additionally, DSS may incur significant administrative costs to certify eligibility and enroll this new category of individuals.

Although the bill specifies that the benefits must be unsubsidized, it is possible that DSS will incur significant increased premium costs under the HUSKY B program. If the uninsured population that takes advantage of this new program is on average less healthy than the people currently in the HUSKY B risk pool, the state will have to pay higher monthly premium on the state subsidized clients.

OLR Bill Analysis

sSB 1147

AN ACT CONCERNING HEALTH INSURANCE FOR LOW INCOME ADULTS**SUMMARY:**

This bill requires the Social Services Department (DSS) commissioner to apply for a federal waiver that allows adults (1) with incomes up to 250% of the federal poverty level (\$30,525 for a two-person family) and (2) without private health insurance to purchase unsubsidized HUSKY Part B coverage. They must pay the full cost of the coverage; the bill prohibits DSS from bearing any of the costs. If the commissioner receives the waiver, she must implement it.

HUSKY B provides health care benefits for children in families with incomes up to 300% of poverty. Various copayment and premium charges apply, depending on the family's size and income. It is funded in part by the federal State Child Health Insurance Program (SCHIP). The bill applies to adults regardless of whether they have children.

EFFECTIVE DATE: July 1, 2003

BACKGROUND***Federal Waivers***

The Health Insurance Flexibility and Accountability (HIFA) initiative, which the Federal Centers for Medicare and Medicaid Services introduced in 2001, permits states to use SCHIP and Medicaid funds to offer coverage for adults, including childless adults. The initiative's primary goal is to encourage new, comprehensive state approaches to increase the number of people with health insurance, keeping within existing Medicaid and SCHIP resources. HIFA emphasizes approaches that maximize private insurance coverage and target populations below 200% of poverty. Several states, including Maine and New Mexico, have received waivers allowing them to cover childless adults with incomes up to 200% of poverty.

Related State Law

A “crowd-out” provision in current law permits DSS to deny an application for HUSKY B coverage if the child was covered by employer-sponsored insurance within the previous two months (CGS § 17b-299).

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 15 Nay 6