

**Testimony by Dr. Ann D. Bagchi, Ph.D.
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**Human Services Committee Public Hearing regarding
*S.B.198: An Act Concerning the Availability of Interpreter Services Under the
Medicaid Program***

Feb. 20, 2007, in Room 2A of the LOB

Good morning. My name is Ann Bagchi and I am a health researcher at Mathematica Policy Research, Inc., based in Princeton, New Jersey. I was the principal investigator on a study commissioned by the Connecticut Health Foundation that documented the substantial need for face-to-face, professional interpreter services in the Connecticut Medicaid program and the potential cost of providing these services with the assistance of federal matching funds. A policy brief outlining the major findings of the study is attached to my written testimony.

I would like to thank Senator Harris for inviting me, on behalf of the foundation, to testify about how Senate Bill 198, *An Act Concerning the Availability of Interpreter Services Under the Medicaid Program*, can help alleviate health disparities by reducing language barriers in health care encounters.

Health disparities arise when individuals or groups face systematic barriers that undermine their ability to get equal access to care. These barriers, in turn, lead to lower quality of care. For patients who cannot speak or understand English very well, language barriers contribute to and exacerbate health care disparities through the chain of events that encompass a typical health encounter.

- 1) LEP individuals experience difficulties obtaining health insurance coverage and scheduling appointments with providers, which directly limits their access to care.
- 2) During appointments, they have trouble communicating their health needs and concerns and often receive unnecessary tests and exams that contribute to higher health care costs but lower treatment efficacy.
- 3) Language barriers limit their ability to follow prescribed treatments and return for necessary follow-up care.

The result is an inferior health system for patients who do not speak English well and who lack access to doctors or other health care providers who can communicate with them in their primary language.



Estimates for the Cost of Interpreter Services in the Connecticut Medicaid Program: Summary of How the Cost Estimates Were Derived

OMB Formula: Total Cost of Interpreter Services =
 Percentage of limited English proficient (LEP) Medicaid beneficiaries *
 Volume of services used *
 Patient-provider interaction time *
 Interpreter costs per hour

Source: U.S. Office of Management and Budget (2002)

Step 1: Estimate the percentage of LEP Medicaid beneficiaries

(1) 487,989 individuals were enrolled in the Medicaid program in 2003

- 366,601 were HUSKY A enrollees (based on data from Connecticut Voices for Children)
- 121,388 were fee-for-service and other managed care enrollees (based on data from the Medicaid Statistical Information System)

(2) Use 2000 Census to estimate the percentage of LEP beneficiaries among HUSKY A enrollees

- 48.7 percent of Spanish-speakers in Connecticut are LEP
- 43.0 percent of speakers of other languages are LEP

(3) 16,793 beneficiaries enrolled in the HUSKY A program were LEP

Within the HUSKY A population:

- 29,113 beneficiaries were Spanish-speaking
- 6,081 beneficiaries reported speaking other languages

Therefore:

- 14,178 Spanish-speaking HUSKY A enrollees were LEP: $29,113 * 0.487 = 14,178$
- 2,615 individuals speaking other languages were LEP: $6,081 * 0.43 = 2,615$

(4) 4.6 percent of all HUSKY A beneficiaries were LEP ($16,793 / 366,601 = 4.6$)

(5) 5,560 fee-for-service and other managed care enrollees were LEP

$$121,388 * 0.046 = 5,560$$

(6) The Medicaid program served approximately 22,353 LEP individuals in 2003 ($22,353 = 16,793 + 5,560$)

Step 2: Determine the volume of services used

See Table B.5 of the report for the total service volume for HUSKY A enrollees and Table B.6 for the volume of services used by all other Medicaid beneficiaries. For example:

- Within the HUSKY A program, there were a total of 22,400 visits for well-child care (second to last column of Table B.5)

- Assuming LEP individuals comprise 4.6 percent of those individuals seeking well-child care, 10,693 of the 22,400 visits were with LEP beneficiaries (last column of Table B.5)

Step 3: Estimate patient-provider interaction time

See the second column of Table B.7 of the report (“Interaction Time in Hours”) for estimates of the length of patient-provider interaction times. For example:

- Well-child care visits were assumed to take 0.70 hours (42 minutes) (see Table B.7)

Step 4: Determine interpreter costs per hour

The analysis assumed \$50 per hour for the cost of interpreter services.

Step 5: Apply OMB formula to each type of service and sum the results

For example – well-child care for HUSKY A beneficiaries:

- Percentage of limited English proficient (LEP) Medicaid beneficiaries = 4.6 percent
- Volume of services used = 22,400 visits
- Patient-provider interaction time = 0.70 hours
- Interpreter costs per hour = \$50 per hour

Total cost of interpreter services for well-child care among HUSKY A beneficiaries =

$$(0.046) * 22,400 * (0.70) * 50 = \$374,255$$

See Table B.7 for full set of estimates:

- Costs for interpreters for HUSKY A beneficiaries = \$3,219,540
- Costs for interpreters for fee-for-service and other managed care enrollees: \$1,464,129

The total estimated cost of providing interpreter services to all Medicaid beneficiaries:

$$\$3,219,540 + \$1,464,129 = \$4,683,669 \text{ or, approximately } \$4.7 \text{ million.}$$

Note that this likely overestimates the cost of providing interpreter services:

- Estimates do not discount for the availability of bilingual providers.
- Interpreter services could be less than \$50 per hour.
- Assumption of 4.6 percent LEP among Medicaid beneficiaries is likely an upper bound since many LEP individuals in Connecticut are recent immigrants or undocumented individuals who are ineligible for most Medicaid services.
- Model assumes the same payment mechanism for all managed care and fee-for-service enrollees and does not take into account what managed care organizations are already paying for interpreter services through capitation rates.

For questions, please contact Ann Bagchi (609) 716-4554 or abagchi@mathematica-mpr.com.

References

Connecticut Health Foundation. 2006. *Estimates for the Cost of Interpretation Services for Connecticut Medicaid Recipients*. New Britain, CT: Hitchcock Printing.

U.S. Office of Management and Budget, Report to Congress. “Assessment of the Total Benefits and Costs of Implementing Executive Order No. 13166: Improving Access to Services for Persons with Limited English Proficiency.” Washington, DC: U.S. Government Printing Office, March 14, 2002.