



NAMI Connecticut

Connecticut's Voice on Mental Illness

**Testimony before the Human Services Committee
February 27, 2007**

**Support for HB 5640
Support for SB 117**

Good morning, Senator Harris, Representative Villano, and members of the Human Services Committee. My name is Sheila Amdur, and I am a volunteer with the National Alliance on Mental Illness of CT (NAMI-CT), and the co-chair of the Keep the Promise Coalition. I am here today to express our strong support for HB 5640, An Act Concerning Increased Access to the Medicaid Program for the Medically Needy.

This bill will raise the Medicaid income limits for people who are aged, blind, or disabled, which remain at \$476.19 per month or \$574.86 for Fairfield County. These rates have not been increased since 1990, even despite the fact that Medicaid has run substantial surpluses for the past three years.

An increase to the income limit for Medicaid to the elderly and disabled is long overdue. The current limits are at approximately 60-70% of the Federal Poverty Level, which leaves thousands of people with very low-incomes and significant health needs grappling with the state's spend-down program. The program requires that they incur enough medical bills within a six month period to "spend down" to qualify for Medicaid. It is extremely complicated and frustrating, and makes it difficult for people to access coordinated care. As a further complication, low-income seniors and people with disabilities who receive Part D coverage are no longer able to use the cost of medications covered by the federal program to meet their Medicaid spend-down requirements.

Therefore, many people with very limited resources and serious health conditions are losing their Medicaid coverage for critical health care services, such as physician's visits, clinics, dental, vision, and transportation. This will also cause many to lose the full state wraparound that Connecticut worked so hard to provide, as it only applies to people who are receiving full Medicaid coverage (see attached). Connecticut can prevent these onerous consequences by establishing a special income disregard applicable only to aged, blind or disabled individuals and only under the Medicaid program.

Furthermore, the current income limits are disproportionately lower than the income limit for parents on the Medicaid HUSKY program, which are currently at 150% of the FPL. How can we justify this discrepancy to our low-income elderly and disabled citizens? Especially when the Department of Social Services has publicly recognized the fact that they are saving more money than they had anticipated from the cost shifts to Medicare Part D, and they are now saving even more as people are losing their Medicaid coverage and the full state wraparound.

HB 5640 will correct this perverse outcome and create parity between the income limits for adults on HUSKY and elderly and disabled individuals receiving Medicaid coverage.

In addition, the Governor's Budget contains insufficient funds for moving forward with the next phase of the Medicaid Rehab Option (MRO). DMHAS has stated that 10-12% of the mental health population on Medicaid is on spend down at any given time, which is approximately 3,000 to 4,000 people. This bill will ensure that providers are paid more quickly and reduce their financial risk for delivering services under the MRO.

On the path toward health care reform, there are several steps to improving access that can be taken now. This legislation will raise the income limit for Medicaid, thus reducing the reliance on spend-down and preserving health care coverage for people who are "aged, blind, and disabled" in our state.

Thank you for your time and attention to this important issue.



DANGEROUS INTERSECTION OF MEDICARE AND MEDICAID SPEND-DOWN

GOOD NEWS:

Medicare Part D provides access to prescription drug coverage for many people who are elderly or disabled across the state.

In order to protect people with Medicaid and ConnPACE coverage from the new cost imposed by the Part D program, Connecticut established a wraparound fund to supplement Medicare Part D benefits.

BAD NEWS:

Thousands of “aged, blind, and disabled” persons who qualify for Medicaid by “spending down” to the income limits can no longer count the cost of medications covered by the federal program.

Therefore, many vulnerable people with limited resources and serious health needs are losing their Medicaid coverage for essential health care services, such as physician visits, clinics, dental, vision, and transportation.

WORSE NEWS:

The full Part D wraparound protections only apply to people receiving Medicaid benefits, including those who have met their spend-down within the past six months.

Therefore, when they no longer qualify for Medicaid through spend-down, thousands of our states most vulnerable citizens will lose their Medicaid coverage AND the full wraparound benefits that CT worked so hard to provide.

SOLUTION:

Support HB 5640 and Raise the Income Limit for Medicaid - This will Reduce the Reliance on Spend-Down and Preserve Health Care Coverage for people who are Aged, Blind, and Disabled!

For further information, please contact the Keep the Promise Coalition at 1-877-402-2299 ext. 5969.

* The spend-down program applies to “Aged, Blind, and Disabled” persons who are eligible for Medicaid. They must incur enough medical bills within a six month period to “spend down” to qualify for Medicaid. The income limits are currently at ~ 60-70% of the Federal Poverty Level (\$476.19 per month or \$574.86 for Fairfield County). By comparison, the income limit for adults on HUSKY is 150% of the FPL.