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Testimony Before the Human Services Committee in Support of H.B. 5617, An Act Concerning Implementation and Making Revisions to the Charter Oak Plan and H.B. 5618, An Act Concerning Revisions to the HUSKY Plan
Submitted by Maggie Adair, Policy Director
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February 26, 2008

Good morning Senator Harris, Representative Villano and members of the Human Services Committee. My name is Maggie Adair, and I am the Public Policy Director at the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit organization that works to end poverty and engage, empower, and equip all families in Connecticut to achieve financial security.

CAHS supports **House Bill 5617, An Act Concerning Delaying Implementation of and Making Revisions to the Charter Oak Health Plan**, and **House Bill 5618, An Act Concerning Revisions to the HUSKY Plan.**

While we commend Governor Rell for attempting to expand health care coverage to some of Connecticut's uninsured, the Charter Oak Plan is ill-conceived and will end up only covering *healthy people* who can afford to pay the monthly premiums. This is unsustainable. Media coverage has uncovered public documents that acknowledge that the Charter Oak Plan is geared to *avoiding high-risk patients* in efforts to hold in health care costs. We are concerned that the Charter Oak Plan does not offer mental health parity, considering that Connecticut has made so much progress in addressing the rights and needs of individuals with mental health issues. We want to continue that progress.

House Bill 5617 proposes revisions to the Charter Oak plan to make it more affordable and realistic, including: lower monthly premiums, annual deductibles, and co-payments; no dollar cap on a lifetime benefit; and no maximum limit on prescription drugs or durable medical equipment. The bill also makes a person who is uninsured immediately eligible for the Charter Oak Plan. The bill also ensures that the Charter Oak Plan include comprehensive coverage for dental, vision, and mental health services, as well as prevention, wellness and disease management programs. These are critical components that must be addressed.

Most importantly, this bill requires that the Department of Social Services separate the Charter Oak Contract from the much larger contract for HUSKY Plan, Part A and Part B. The contract proposal that was issued earlier this year folded the tiny Charter Oak Plan into the enormous HUSKY proposal and required that the bidder must bid on both plans. **If the Charter Oak Plan is realistic and sustainable, then it should be issued as a separate contract.** Folding it into the larger HUSKY plan makes it very unclear if the Charter Oak Plan would attract a bidder standing on its own.

We urge the Committee to support this bill and we encourage more thoughtful deliberations about how we can realistically insure the state's 330,000 uninsured residents through a health care model that is comprehensive, portable, high quality, and sustainable.

CAHS urges the Committee to support House Bill 5618, An Act Concerning Revisions to the HUSKY Plan. This bill would restore Continuous Eligibility for HUSKY children, a policy that we have advocated for in previous sessions. Continuous Eligibility allows children one year of continuous health insurance coverage, regardless of fluctuations in family income. This policy eliminates what is called "churning," where children cycle on and off HUSKY due to temporary changes in family income.

Restoring Continuous Eligibility is good for children and it saves the state money. Gaps in coverage are costly because children end up seeking health care in emergency rooms and through safety net providers. One year of continuous coverage would lower DSS administrative costs because staff would only process applications once per year. The Office of Fiscal Analysis estimates the cost of restoring Continuous Eligibility to be $2.8 million with half coming back from the federal government. It is unclear if this estimate takes into account other savings captured as a result of implementing this logical policy. For this small amount of money, we urge you to keep our children insured and healthy.

While not part of this bill, we believe it is imperative that the income limit for the aged, blind and disabled is raised from an appalling 60%-70% of the federal poverty level to be aligned with other populations at 185% of the federal poverty level. **In Connecticut, low-income elders and people with serious mental and physical disabilities must be much more impoverished than other eligible groups to qualify for Medicaid. This income limit has not changed since 1990!** Last session, the Legislature raised the income level for Medicaid eligibility for almost every other low-income population but not for these very vulnerable people.

The critical piece of House Bill 5618 is the delay in contracting out the HUSKY program for managed care providers until July 1, 2009. Currently the HUSKY program is in turmoil. Now that the state has taken back the HUSKY contracts, it is transitioning from a Medicaid managed care program to a Medicaid-fee-for-service program. The target is to move HUSKY clients to the new plan by April 1, 2008. Then, on July 1, the same HUSKY clients will be moved back to a managed care system. **Making two significant changes in health care coverage for thousands of low-income families will cause undue chaos and potentially lead to people falling off the program.** Making such huge changes in a three-month period does not make sense and comes across as harried, poor planning.

CAHS urges the Committee to support this bill. We should not be taking this program and the thousands of children and adults it serves so lightly. The problems that have arisen over the past year with the HUSKY program concerning transparency and barriers to access highlight that our current health care system is broken. **While we must fix the issues with the Medicaid program to ensure that low-income families have access to quality health care, we need to move beyond incremental steps and create a universal health care system that works for everyone.**

Thank you for giving me the opportunity to testify.