

Testimony before the Human Services Committee

March 4, 2008

Support for SB 562

Good morning, Senator Harris, Representative Villano, and members of the Human Services Committee. My name is Alicia Woodsby, and I am the Public Policy Director for the National Alliance on Mental Illness, CT (NAMI-CT). I am here today on behalf of NAMI-CT to testify in strong support of SB 562, An Act Concerning Increased Access to the Medicaid Program for the Medically Needy Elderly and Disabled.

This bill will raise the Medicaid income limits for people who are aged, blind, or disabled, which are currently at \$491.92 per month or \$593.45 for Fairfield County. An increase to the income limit for Medicaid to the elderly and people with physical and mental disabilities is long overdue. The current limits are at approximately 60-70% of the Federal Poverty Guidelines, 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. As a result, people often go without needed health care and prescriptions, and they also end up with further financial hardship.

These are individuals with very limited resources and serious health conditions. In addition, those who worked for most of their lives but are now disabled are disproportionately impacted by this problem because they receive higher SSD payments placing them over the current income guidelines. Those with Medicare are losing their Medicaid coverage for critical health care services, such as dental, vision, and transportation, and those with only Medicaid are unable to access any of their health care services with any level of regularity or stability. 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. This will raise the income limit to the same standard that applies to all other adults Medicaid populations in the state.

The current income limits are drastically lower than the income limit for parents and caregivers on the Medicaid HUSKY program, which are currently at 185% of the FPL. How can we justify this discrepancy? Especially when the Department of Social Services has

publicly recognized that they are saving more money than they had ever anticipated from the cost shifts to Medicare Part D. They are likely saving even more now as people lose their coverage, and the full state wraparound. SB 562 will correct this perverse outcome and create equity between the income limits for adults on HUSKY and people who are elderly or have disabilities receiving Medicaid coverage.

CT is one of 35 or so states that have spend-down programs allowing otherwise Medicaid eligible people who are over the Medicaid income limit, to meet the income eligibility threshold by subtracting their medical bills from their income. CT's income eligibility level is about in the middle of the pack in terms of percentage of poverty. The vast majority of the state is at 56% of the FPL for its Medically Needy eligibility level.* For area states, Vermont's eligibility level is at 102%, NH is at 76%, NY at 87%, RI at 87%, NJ is at 51%, PA at 59%, and ME is at 44%.

We realize that this is a significant investment – but it is an investment in people who are forced to utilize more expensive and acute medical services and whose health will continue to deteriorate if not provided with accessible and stable health care services.

Many people with serious mental illnesses experience decreased access to medical care generally because they are either uninsured or underinsured, have difficulty accessing transportation and primary care providers, and struggle to adhere to medical regimens. **People with serious mental illnesses are dying, on average, 25 years earlier than the general population**, and the *lack of access to appropriate health care* is cited as one of the main factors contributing to this serious public health problem. The practical implications of this are that people who can be and are productive in our state, die prematurely due to lack of adequate access to health care (NASMHPD).

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.

* Please note that the information in this paragraph is extracted from a Kaiser Family Foundation study, in which CT is listed at 80% of the FPL, due to Fairfield County, and the rest of the state is reported at 66% of the FPL. Based on the current income limits, NAMI-CT calculates the vast majority of the state to be at 56% of the FPL for the Medically Needy Income Limits.