Advocacy for Patients with Chronic Illness, Inc.

18 Timberline Drive
Farmington, CT 06032
(860) 674-1370 (phone)
(860) 674-1378 (fax)
(860) 305-9835 (cell)
www.advocacyforpatients.org
patient_advocate@sbcglobal.net

1022

Testimony of Jennifer C. Jaff, Esq. In Favor of Raised Bill No. 1022 and Against Raised Bill 5172

Thank you for allowing me to testify today in support of Raised Bill 1022, and against Raised Bill 5172, and, in particular, Section 21 of that Bill.

First, Raised Bill No. 1022 will expand the number of guaranteed issue individual insurance policies that are available in Connecticut. This is critical.

As you know, federal law requires states to identify at least one guaranteed issue option for people who were on a group insurance plan for at least 180 days, without a break in coverage of 63 days or more. Right now, the only guaranteed issue option is the Health Reinsurance Association.

Guaranteed issue plans are required to be offered to people even if they have pre-existing conditions. As a general rule, the only plans available to people with pre-existing conditions are guaranteed issue plans. Although the Health Reinsurance Association is adequate in many cases, it is very expensive. If there were more options for people with pre-existing conditions, it is likely that there would be greater competition, and prices might decrease. And the more guaranteed issue options there are, the more likely it will be that people who otherwise might be uninsured will find a plan that suits both their needs and their pocketbooks.

Thus, we support Raised Bill 1022 without reservation.

Raised Bill 5172 has many elements, many, if not most, of which are laudable. However, Section 21 is problematic. Section 21 would allow the aged, blind and disabled who are dually eligible for Medicaid and Medicare to choose a Medicaid managed care plan as an alternative to traditional Medicaid. This is a bad idea for several reasons.

First, one need only have skimmed the newspapers over the past year or so to have heard horror stories about seniors and disableds who have chosen to participate in Medicare Advantage Plans, which are HMOs for Medicare. These plans have proven to be expensive and confusing to this population. In addition, we have seen far more denials of coverage from Medicare Advantage Plans than we have ever seen from traditional Medicare. These plans cost more, promise the moon, and fail to deliver medically necessary care.

The same reasoning pertains, in our view, to the HUSKY managed care organizations. They are more expensive than traditional Medicaid, they add an additional layer of complexity and confusion, and they administer benefits more narrowly than does traditional Medicaid.

Medicare is confusing enough without adding an additional layer of complexity. The aged, blind and disabled have to enroll in Medicare Part B, and they have to go through the difficult process of selecting a Medicare Part D drug plan. They are aggressively marketed by Medicare Advantage Plans even though they are eligible for Medicaid and, thus, do not need Medi-gap coverage. To add yet another decision to this annual ritual will just make the system that much more difficult for them to navigate.

Frankly, in light of the fact that, in both Medicaid and Medicare, managed care has proven to be more expensive than traditional fee-for-service, we fail to see the benefit of managed care to this population. Add to this the fact that these plans provide narrower coverage than traditional fee-for-service arrangements, and there simply is nothing to be gained by this proposal.

Thus, we strongly urge you to vote favorably on Raised Bill 1022 and against Raised Bill 5172 to the extent that it contains section 21.

Thank you.

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