American Cancer Society®

Appropriations Committee
February 18, 2008
American Cancer Society Testimony

Proposed Budget Changes to the Department of Social Services

Is the choice between health care and financial ruin really a choice? The American Cancer Society believes that all people should have unimpeded access to comprehensive, quality health care services. This care includes prevention, early detection, diagnosis and treatment, rehabilitation and long-term care across the wide spectrum of health care needs, from basic necessities through cancer care and beyond. The Society recognizes that serious gaps exist in accessibility, affordability, adequacy, administrative simplicity and quality of health care for many people, which must be addressed on a policy level.

We have serious concerns about the proposed changes to the Department of Social Services, specifically to the Medicaid and HUSKY programs. These changes include but are not limited to the following:

- Increasing eligibility requirements and reducing coverage for prescription drug programs.
- Elimination of dental care for adults except in an emergency.
- Elimination of medical interpretation services for non-English speaking patients
- Imposition of premiums as high as 20% of family income on adults with incomes over 100% of the federal poverty level.
- Imposition of co-pays, which will add an additional 5% on top of the 20% premiums on adults.
- Increases in premiums for children under HUSKY B

Numerous studies in other states and Canada have shown that co-pays and premiums reduce access to healthcare for low-income families by forcing them to drop coverage and in many cases increase costs in the long term due to fewer but more expensive treatment options such as hospital emergency room visits.

Additionally, a reduction in services such as these would result in a reduction of Federal reimbursements at a time when the state is looking to Washington for increased fiscal assistance.

As pointed out in an article yesterday in the Hartford Courant, research suggests that while 44 states have implemented co-payment requirements, the results have often produced significant unintended consequences. Study after study indicates alarming increases in dropped coverage, decreases in medications, increased emergency room visits, increased hospitalizations and, unfortunately, an increase in deaths among elderly and low-income people.

At a time when access to care is already a significant impediment in the health care system, these proposals run the risk of forcing more people to have to choose between health care and paying the mortgage or putting food on their table.

Connecticut faces very real and very serious deficits, but balancing the budget on the backs of low-income families by putting up barriers to much needed access to care only invites future expense to a health care system that is already cost prohibitive and in need of overhaul. If implemented, the money saved by the state in the short run is likely to be more than offset by additional expenses in the long run with fewer solutions available at that time.

This fiscal emergency will need to be addressed through painful and necessary solutions but do not have to take Connecticut down the path of reduced access to healthcare. The Governor has identified the problems facing the state and we come to you today with a possible alternative solution.

We support a $1.00 increase in the cigarette tax with a dedication of a portion of that revenue towards funding Medicaid coverage of smoking cessation services.

According to the Campaign for Tobacco Free Kids, smoking costs the state of Connecticut $1.63 billion dollars a year in health care costs. While not a cure-all, this proposal will result in significant ongoing savings, reduce smoking, not require low income families to have to pay premiums or co-pays to receive health care through Medicaid and HUSKY and, most importantly, save lives.

A $1.00 increase in the cigarette tax would result in an additional ongoing annual revenue stream of approximately $51 million for Connecticut. 5-year health savings of $7.1 million dollars would result through a reduction in smoking affected pregnancies and births as well as fewer smoking related heart attacks and strokes. Long-term non-Medicaid health savings resulting from a decline in smoking rates total an additional $546.3 million dollars.

Coverage of smoking cessation services would also allow for an increase in Federal reimbursements as well as significant long-term Medicaid savings.

These projections are based on research findings that each 10% cigarette price increase reduces youth smoking rates by 6.5%, adult rates by 2%, and total consumption by 4%. Revenues still increase because the higher tax rate per pack will bring in more new revenue than is lost from the tax-related drop in total pack sales. This is ongoing revenue, not one-time funds.

The American Cancer Society urges our policy makers to extend every effort to reviewing all possible solutions that save money while preserving access to care and we stand ready to assist the legislature in every way we can.

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