

February 18, 2009

To: Appropriations Committee members

Re: Governor's proposed increases in cost sharing for HUSKY families

The following email arrived this morning from one of our consumer Board members at the CT Health Policy Project. Sheri Aquilino and her two children used to be on HUSKY; she now has coverage for her family through her employer. She felt strongly that members of the General Assembly should understand what the Governor's proposal would mean for the thousands of CT families like hers.

Hi Ellen:

This article [*Critics: Health Care Changes Would Burden State's Poor*, Arielle Levin Becker, [Harford Courant](#) 2/17/09; describing Governor's proposed HUSKY cuts and impact on CT families] really upset me. And I can only speak on behalf of the single Moms (as I was once where Maria was), but do the legislature and Governor realize that they are making these Moms choose between putting food on their table/heating their homes/keeping the electricity on or going to the doctor because they or their children are sick? And, like the woman in the article, most single Moms who are working are struggling everyday to keep their heads above water. There are no extras in their households; just the basics. Hey, my kids had no idea what cable TV was when they were young (thankfully we had basic TV for \$12 a month), and most of their clothes were hand-me-downs from friends and family, from a consignment store or Goodwill.

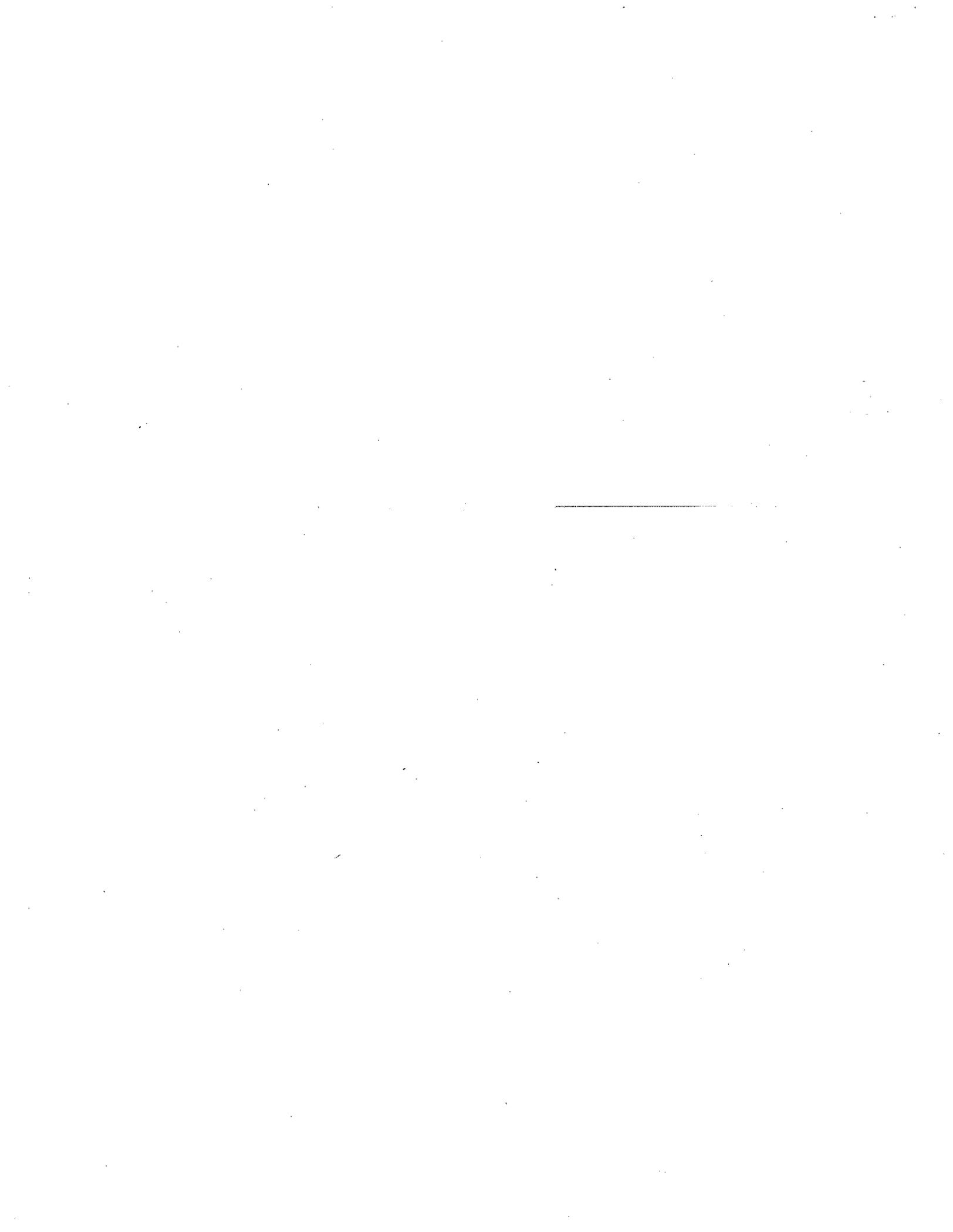
And, still being a single Mom who now has health insurance through her employer (and I make a little over \$36,000 per year), I had a difficult time paying my own co-pays and the kids co-pays this summer. I was seeing a specialist late summer/early fall and it was \$45 every time I walked in the door (once a week for 3 months); \$45 co-pay for MRI's; etc. And that didn't include my son's \$25 - \$45 co-pays every two weeks; and my daughter too. Plus, the co-pays for medications anywhere from \$25 to \$75 a prescription. I had to cut back on groceries, hair cuts, clothes, **NO EXTRAS AT ALL** and got behind on my utility payments. I had to make hard choices and basically the mortgage came first, food second, etc., etc.

One final note before I shut up, but most single Mom's live week-to-week and are two paychecks away from being homeless!!!!

This topic hits such a sore spot with me. Feel free to pass this on to anyone who you believe will listen.

Thanks.

Sheri Aquilino



## Ten Ways to Save Health Care Money in Connecticut's State Budget

**1. Implement PCCM statewide for the HUSKY program**, committing attention and resources to ensure a robust program that attracts providers and consumers, is accountable for outcomes, serves as competition to the HUSKY HMOs (to get them to perform) and saves money. This not only saves money but invests resources in primary care and care coordination capacity in the HUSKY program – sorely needed infrastructure to reform a broken system. For more on PCCM in HUSKY, go to.

<http://www.cthealthpolicy.org/pccm>

Possible savings: \$113 million/year

[http://www.cthealthpolicy.org/briefs/issue\\_brief\\_46.pdf](http://www.cthealthpolicy.org/briefs/issue_brief_46.pdf)

**2. Repeal the 24% rate increase given to HUSKY HMOs last summer.** Nationally Medicaid managed care plan rate increases have been between 4 and 5% annually.

Possible savings: \$162 million/year

**3. Provide coverage for smoking cessation medications and counseling in Medicaid.**

Possible savings: significant

**4. Re-align state employee health benefit costs.** CT pays 16% more than the average for all states (family coverage, 2006), but workers' share of those costs are 9.2% less than the US average for state employees.

Source: NCSL, <http://64.82.65.67/health/StateEmpl-healthpremiums.pdf>

Possible tools to reduce state employee health costs that are used in other states

- Promoting provider adherence to clinical guidelines and best practices
- Disseminate provider performance comparisons
- Performance based initiatives
- Develop care coordination programs
- Develop/lead the state in multi-payer quality coalitions and initiatives

Source: What Public Employee Health Plans Can Do to Improve Health Care Quality: Examples from the States, The Lewin Group for The Commonwealth Fund, January 2008,

[http://www.commonwealthfund.org/publications/publications\\_show.htm?doc\\_id=656849](http://www.commonwealthfund.org/publications/publications_show.htm?doc_id=656849)

**5. Limit HMO administrative costs.** Other states have passed legislation limiting medical loss ratios to 75% (insurers may only spend up to 25% of premiums on administration and profit).

Possible savings: Maine's law requiring medical loss ratios of at least 75% resulted in just one insurance company returning \$1 million to consumers in 2008. NJ's similar law resulted in \$11.6 million returned to policyholders between 1993 and 2006.

**6. Pay more for quality care through pay-for-performance and value based purchasing initiatives under all state coverage programs.** These programs could be implemented without new resources, by realigning incentives within current health care spending levels.

**7. Implement medical homes for every member of a state coverage plan.** Medical home practices reduce specialty costs, improve health access and outcomes by strengthening the patient- provider relationship and emphasizing primary care and care management.

Possible savings: NC's Community Care program (medical home model) saved \$225 million in Medicaid spending

A 1999 study found that one in four hospital patients were readmitted for conditions that could have been prevented with better primary care. Those readmissions averaged \$7,400 per patient in 1999.

**8. Promote and require use of health information technology tools, including electronic medical records, by all providers participating in state coverage programs.**

**9. Disseminate comparative quality and cost data to consumers to use market forces to improve cost effectiveness of care.**

**10. Limit prescription costs with provider education campaigns (counter detailing) using independent information on relative costs and effectiveness of medications, limit gifts to providers from drug companies, require disclosure of all financial ties between providers and drug companies, and prohibit data mining, the purchase of consumer prescription records as a marketing tool.**

Sources: All these initiatives have been adopted in other states to reduce prescription drug spending.

Ellen Andrews, PhD

February 4, 2009

## Governor's 2009 budget proposal health impact

February 4, 2009

### DSS budget cuts:

Medicaid cuts of \$283 million (6.8%) for 2009/10 and \$317 m (7.2%) for 2010/11

SAGA cuts \$13 m (5%) for 2009/10 and \$14 m (6.5%) for 2010/11

H86 Y put \$20 m from this year's spending levels

Savings		Cut	How
2009/10	2010/11		
\$8.5 m	\$10.5 m	Medicaid Copays	No details, ≤ 5% income, from \$0.50 to \$5.70, cap drug copays at \$20/mon, (federal rules) some services excluded, not for some children, people < 100% FPL, SSI, pregnant women, breast/cervical cancer patients, and persons in institutions
8.8 m	9.3 m	Premiums for HUSKY adults	Sliding scale, up to 10 or 20% of cost, not for people < 100% FPL, SSI, pregnant women, people in hospice
1.5 m	1.6 m	Increase HUSKY B premiums for children	For working families 236% - 300% FPL -- up from monthly \$30/child and \$50 family max; to \$50 for one child, \$75 for two children, and \$100 for more
22.7 m	28 m	Eliminate most dental care for Medicaid and SAGA adults	Will only cover emergency dental care
23.6 m	24.5 m	Eliminate coverage for legal immigrants	Now fully state funded if here less than 5 years, Will only pay for current emergency Medicaid (labor & delivery only)
4.5 m	9 m	Weaken medical necessity definition	Makes it far more difficult to access needed services
2 m	2 m	Eliminate self declaration of income in HUSKY application	Creates arbitrary paperwork burden on HUSKY applicants, no evidence of fraud in program
2 m	2 m	Eliminate clinic funding for pregnant undocumented immigrants	Recently passed, to provide pre-natal care to future citizens rather than wait to provide care only at delivery
115 m	166 m	Lower rate increase for nursing homes	
5.5 m	6 m	Eliminate interpretation	

