

Legal Assistance Resource Center

◆ of Connecticut, Inc. ◆

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Testimony before the Appropriations Committee

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Thank you for the opportunity to address the Governor's budget proposals that will have a seriously negative impact on the low-income clients that Connecticut's Legal Services' Programs represent.

The Governor proposes to cut \$273 million from health care programs at a time when the federal government has recognized the need to respond to the state's most vulnerable residents by increasing the federal Medicaid reimbursement and infusing \$1.3 billion back to the state for health care expenditures. Not only would the Governor's cuts mean denials of critical health care for our neediest residents but it would also mean that we turn away over a billion dollars in federal funds that we now have access to.

I would ask you to refer to the written testimony of my colleagues Randi Mezzy and Sheldon Toubman, for an analysis of the proposed change in the **Medical Necessity definition** for Medicaid clients and the proposed **cuts in pharmaceutical coverage** for Medicaid clients.

Additionally, Legal Services is particularly concerned by the following proposals:

The Imposition of Co-Pays and Premiums (Cost Sharing) on HUSKY Families

The imposition of co-pays and premiums for HUSKY A is actually a recycled proposal that has been **unsuccessfully** tried at least twice in the past. Both times that cost sharing was imposed in the past, the legislature repealed the practices because of the significant barrier co-pays and premiums presented to those needing health care or medications.

The cost savings from co-pays is dubious at best. The state will **not** be saving money because of the additional income provided by the co-pays but instead, the savings will come from the sudden drop in services provided. Studies have shown that even minimal co-pays deter Medicaid recipients from accessing health care. (See the Connecticut Health Foundation website for their Families at Risk series, 2004, www.cthealth.org.) Although the proposal caps prescription co-pays at \$20 a month and all co-pays are limited to 5% of a family's income, these caps are meaningless to a family who is living at 100% of the federal poverty level which equates to \$1525 a month for a family of three (\$18,310 annually) and would be hard-pressed to come up with even the minimum amounts. Despite the caps, prescriptions and doctors visits become an unaffordable expense.

Additionally, for the state to actually realize any savings through these misplaced cuts, they would have to make corollary reductions in the per member/per month fees currently paid to the Medicaid Managed Care Organizations administering the HUSKY program. We should be

questioning any true savings from the imposition of cost-sharing given the apparent failure of the proposal to acknowledge that capitated payments to MCOs should also reflect the imposition of co-pays and premiums and the corresponding decline in the delivery of services.

In the past, providers have been the ones charged with the actual collection of any co-pays from Medicaid patients. Although this has not been specified in the Governor's proposal, this may in fact be the case if the co-pay proposal in question is passed. Providers will be placed in the position of choosing between denying care (now allowed under federal law) for patients unable to pay the co-pay or providing care without full payment.

The imposition of premiums has proved to be a significant barrier to program participation for families who are eligible for HUSKY services but unable to pay the monthly fee. Imposing a premium for HUSKY A Adults and raising the premium for HUSKY B children will result in families simply dropping out of the program. Again, this is a recycled proposal that was reversed when the impact was realized.

Elimination of SAGA Vision and Non-Emergency Medical Transportation

The SAGA Medical Program currently provides critical health care services to approximately 35,000 of CT's neediest residents. Although prior to 2001, SAGA Medical mirrored Medicaid coverage, it now does NOT cover home health care, durable medical equipment, podiatry, chiropractic, naturopathy or physical, occupational or speech therapy. Limited non-emergency medical transportation and vision care had also been eliminated but were restored in the 2006 legislative session.

SAGA Medical clients are now able to get routine vision care consisting of one full exam and one pair of glasses per year. Non-emergency medical transportation was also restored in the form of a private cab or taxi available to recipients in wheelchairs and post-op patients being discharged from the hospital or going to post-op follow-up appointments. A shared ride or livery service is available to oncology, cardiology, stroke-related, HIV related and outpatient rehab patients.

SAGA Medical has literally become a lifeline for its recipients. But – if they can not get to their health care provider there is no lifeline. If they can't see, SAGA recipients will not be able to fully function independently.

SAGA Medical recipients are usually unable to work because of disabilities, but their eligibility for a federal SSI disability determination is often still pending. SSI decisions can take months and sometimes years until a final disposition is reached. In the interim, because they are not elderly and don't have dependents, SAGA recipients are NOT eligible for Medicaid or any other health-care assistance program.

Elimination of Medical Assistance to Recent Legal Immigrants

The Governor's proposal to eliminate state-funded health care (except for emergency care) for all non-citizens legally in this country for less than five years, is especially curious given the federal government's recent expansion of coverage for legal immigrants. States are now eligible under the recently enacted expansion of the CHIP program, for federal match for a large portion of the cost of providing health care for legal immigrants. Prior to this expansion of CHIP, CT covered legal immigrants under a state-funded program without federal reimbursements.

