

 Connecticut
Health
Policy Project

703 Whitney Avenue . New Haven, CT 06511
Phone (203) 562-1636 . Fax (203) 562-1637 . www.cthealthpolicy.org

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TESTIMONY

APPROPRIATIONS COMMITTEE

Jennifer Ramirez, MSW

Director of Programs, CT Health Policy Project

Re: Governor's proposed cuts to health care

Thank you for this opportunity for input on the state budget, the Governor's proposal, and the potential impact on the health of Connecticut residents.

Connecticut's health care system is fragile and, for the growing number of consumers who call our helpline every day seeking assistance accessing the health care they need, the safety net is overwhelmed. In 2007, 326,000 CT residents lacked health insurance; as the unemployment rate recently hit 7.1% and is likely to go higher, we expect the need to grow. In the last year the HUSKY program, CT's largest health care purchasing pool, has endured deep disruption, dwindling provider panels, and a 24% increase in rates paid to HMOs. Community nonprofits, even those such as ours that receive no state funding, are struggling to meet the demand while foundations and donors cannot afford to be as generous as in the past.

The Governor's proposed cuts to services and increased cost sharing, if enacted, would devastate the fragile system our clients rely on. I have attached to my testimony a letter from Sheri Aquilino, a consumer member of our Board, that describes the impact on HUSKY families far better than I could. Families just above the poverty level (\$17,600 for Sheri's family of three), cannot afford potentially thousands of dollars in premiums and copays. Parents will go without health coverage to ensure that their children have what they need. However, people without coverage do not stop getting ill. They are forced to delay getting care and managing chronic conditions, until problems become expensive and difficult to treat. In addition to the physical and financial health impact on working families, those costs get shifted onto taxpayers, providers and employers.

The truly unfortunate thing about the Governor's proposed cuts is that they are not necessary. Along with a description of the Governor's proposal I have included a list of ten options to save money in CT's health care budget that can **improve** quality and access. They include expanding the new Primary Care Case Management (PCCM) pilot statewide. PCCM is a way of running HUSKY without HMOs that relies on primary care. PCCM is successfully saving money and improving access to care in thirty other states. PCCM would offer an alternative to the unstable HUSKY HMOs and is estimated to save the state \$113

million annually. Another option is to renegotiate the 24% rate increase granted to HUSKY HMOs this year; nationally Medicaid managed care plan rates have increased 4 to 5%. Other options include providing coverage for smoking cessation under HUSKY to reduce the harmful and costly effects of tobacco use, re-align state employee health benefit costs, limit HMO administrative costs, create incentives for high quality and efficient care, implement medical homes for all public programs, promote health information technology, disseminate comparative quality and cost data to consumers using market forces to save money and improve health care, and limit prescription costs by educating providers and consumers, limiting drug company gifts, disclose all drug company financial ties to providers and prohibit data mining. We are not breaking new ground with these options; all these cost saving initiatives have been successfully implemented in other states.

At the CT Health Policy Project we understand the daunting deficit the state faces and the difficult decisions you as policymakers will have to make. But I urge you to adopt cost saving options that do not do more harm to Connecticut's working families.

Thank you for the opportunity to comment on this important legislation and for your commitment to the health of every Connecticut resident.