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National Alliance on Mental Illness

Testimony before the Joint Hearing of the Human Services, Insurance and Real Estate, and Public Health Committees
March 2, 2009
SB 998, SB 990, HB 6600, HB 5172

Good afternoon, Chairs and members of the Human Services, Insurance and Real Estate, and Public Health Committees. My name is Alicia Woodsby, and I am the Public Policy Director for the National Alliance on Mental Illness, CT (NAMI-CT). I am here to testify on several bills before you today.

NAMI-CT has **strong concerns about SB 988**, An Act Concerning Medicaid Funding for SAGA and Charter Oak, which would permit CT to utilize the "Health Insurance Flexibility and Accountability" (HIFA) waiver to get federal reimbursement for some SAGA and Charter Oak Health Plan services. HIFA was developed by the Bush Administration to allow individual states the flexibility to expand health insurance coverage to new groups but also to reduce benefits - including mental health benefits - increase cost sharing, and set limits on the number of lower-income people served. SB 988 could significantly harm people with mental illnesses and others currently on Medicaid by reducing access to health care and eliminating optional benefits. What this means is that optional beneficiaries, especially those with special health needs such as people with mental illnesses, may lose critical Medicaid benefits such as EPSDT and long-term care.

To ensure that beneficiaries have a comprehensive health services package, federal law requires that individual states provide certain benefits to all Medicaid beneficiaries, such as EPSDT services for children and home health care for those with long term care needs. EPSDT is a comprehensive prevention and treatment benefit that ensures that children receive necessary medical services. Under the HIFA waiver policy, states may roll back Medicaid benefits for optional beneficiaries (even so-called "mandatory benefits"). Therefore, some "optional" individuals may find they have less access to essential needed benefits than they did previously.

States may also require cost-sharing for all benefits provided to optional Medicaid populations - this cost-sharing may exceed "nominal" limits. Even optional children who are currently exempt from any Medicaid cost-sharing, may be charged fees not exceed a total of 5% of family income. For all other Medicaid groups, including those who are elderly or have disabilities, HIFA allows states to impose unlimited cost-sharing.

Currently, if a state chooses to provide an optional service, it generally must provide that service to the same extent to all beneficiaries. Under HIFA, states would no longer have to give currently eligible optional parent and child beneficiaries, people with disabilities and seniors the same

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benefits they provide to mandatory beneficiaries. Instead, optional beneficiaries could be given a package of benefits that is less comprehensive. Services such as EPSDT could be eliminated.[1]

In addition, this bill would increase the income eligibility for people on SAGA to 100% of the federal poverty level (FPL) when "aged, blind, and disabled" persons currently receiving Medicaid coverage are only eligible at 60-80% of the FPL. A federal waiver for SAGA makes sense for the state and would protect and enhance a critical health care program serving some of the state's poorest citizens. Instead of a HIFA Waiver, the state should seek to negotiate a general federal waiver to include SAGA medical as a Medicaid covered service, **without requiring reductions in existing Medicaid coverage or services.** Currently, the state receives federal reimbursement for hospital but not other medical services under SAGA.

NAMI-CT strongly opposes SB 990, An Act Concerning Expanding the HUSKY Formulary, would remove the exemption that mental health related drugs currently have on HUSKY's preferred drug list (PDL). This means that mental health related drugs would be placed on the state's PDL and be subject to prior authorization, which would greatly restrict access to desperately needed psychiatric medications for children and adults. **People that avoid getting their mental health related medications filled will experience medical and psychiatric emergencies resulting in greater costs to the very systems this bill is trying to save money on.** Every study shows that barriers to medication access for low-income people with behavioral health needs most often lead to an interruption in their treatment and can have serious life-threatening consequences (please see attached).

Lastly, while there are many positive components in HB 5172, An Act Establishing the Connecticut Healthy Steps Program, it would allow for "aged, blind and disabled" persons on Medicaid to voluntarily enroll in managed care health insurance plans and exempt the plans from the state's insurance mandates. The state had to carve out behavioral health services from the Husky HMO's because of their failure to provide "timely, appropriate, and effective care to children with special behavioral health needs" (May 2005, Commissioner Wilson-Coker, Memo to Appropriations and Human Services Committees). Furthermore, the Commissioner noted that there were "gaps in essential services, care decisions driven by dollars, and a system of services that is confusing and difficult to navigate" and that **"the design of the Medicaid Managed Care program may undervalue behavioral health".** HB 5172 would put an even more vulnerable population with significant mental health needs in managed care plans that cannot meet their mental health service needs. Medicare managed care plans should be a lesson to us all about the ineffectiveness of using this model for people who are elderly or have disabilities, "a decade of research has found that enrolled beneficiaries would have cost the program less if they had stayed in the fee-for-service (FFS) sector."[2] Every federal study shows that the beneficiaries have a more difficult time accessing services and the plans cost 14% more on average than fee for service.

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[1] Miller, Joe E., NAMI POLICY RESEARCH INSTITUTE (December 2003), "WHAT LIES BENEATH THE MEDICAID WAIVERS: A GUIDE FOR CONSUMERS AND FAMILIES"

[2] Center for Medicare Advocacy, Inc., 2008. "Medicare Overpayments to Private Plans."

The bill also provides an exemption from the state's insurance mandates, including mental health parity, which flies in the face of Connecticut's strong insurance law and the federal parity law – both designed to protect all insured residents from discrimination in mental health care.