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TESTIMONY OF JOELEN J. GATES IN OPPOSITION TO THE GOVERNOR'S PROPOSED HEALTH CARE CUTS

February 11, 2010

Good evening Members of the Appropriations Committee:

My name is Joelen Gates, and I am an attorney with Connecticut Legal Services, Inc. in Willimantic, Connecticut. I advise and represent elderly clients who are 60 years of age or older mostly in health related matters. I am here tonight to speak in opposition to the Governor's proposals to impose co-payments and cut health care benefits to low-income residents on Medicaid, SAGA and HUSKY programs.

The Governor has once again proposed to increase the out-of-pocket health care costs for elderly residents on Medicaid. These are the people most in need of health care, but least able to afford it. State health care policy should encourage people to maintain their health and prevent serious illness by getting the medical care they need. Unfortunately, the Governor's proposals, may have the opposite, unintended effect of discouraging elderly and disabled Medicaid recipients from taking their prescriptions and seeing their doctors because they cannot afford the cost.

People who receive Social Security income did not receive a cost of living increase in 2010. Therefore, any additional costs for health care this year will directly decrease their ability to pay for food, shelter, transportation, utilities and other living expenses. In addition to the budget cuts the legislature made last year, the Governor now proposes that elderly and other Medicaid recipients pay:

1. An increase from \$15.00 to \$20.00 per month in Medicare Pt. D co-payments for those who are dually eligible for Medicare and Medicaid.
2. Co-payments of \$3.00 per medical service, such as doctor visits,
3. The total cost of over-the-counter drugs, and
4. Eyeglass and vision services by optometrists

These increases may not sound like much, but they are unaffordable for a person whose monthly income qualifies him or her for Medicaid. More than likely, many Medicaid recipients, who cannot afford the co-payments, will not seek medical care, but instead will end up in hospital emergency rooms for treatment, at much greater expense to the state.



The cap on the Medicaid co-payments is 5% of the family income, which may sound like it offers some protection for these vulnerable individuals. But, it is not clear how that cap will be calculated – whether on a monthly or annual basis. For someone whose income is \$903.00 per month, just over 100% of poverty, the monthly cap would be \$45.15, which is unaffordable. Even worse, if 5% of income is calculated on an annual basis, the individual would have to pay \$541.80 in co-payments before the cap is reached. It is conceivable that an individual would have to pay more than 5% of his or her monthly income in any given month if the state requires the individual to pay 5% of his or her annual income before reaching the cap.

There are many people with limited income who simply have no income left after paying for the bare necessities to spend on increased out-of-pocket costs for prescription drugs, over-the-counter drugs, eyeglasses and doctor visits. The result will be that people with chronic, but treatable, conditions will be forced to cut down or discontinue their medications due to the cost. Inevitably, some of them will jeopardize their health and end up with complications that are more costly to treat.

The state should not balance the budget on the backs of those least able to pay for their basic human needs – food, shelter, and health. State health policy should encourage people to maintain their health by taking their prescriptions and seeing their doctors as needed. This policy is more likely to save the state money in the long run by avoiding the need for expensive intervention and treatment, not to mention the benefits of a healthier population.

I urge you not to be “penny wise and pound foolish” with the health care of our most vulnerable residents.