

Testimony Regarding the Governor's Deficit Mitigation Plan for FY 10: Impact on the  
HUSKY Program

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Appropriations Committee  
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Dear Senator Harp, Representative Geragosian and Members of the Appropriations Committee:

I am a Senior Policy Fellow with Connecticut Voices for Children, a statewide research-based policy think tank that works to advance public policies that benefit the state's children, youth and families.

**I am here today on behalf of CT Voices to *oppose* the Governor's Deficit Mitigation Plan which includes unacceptable cuts to the HUSKY health insurance program.**

Many of the cuts in the Plan were also contained in the Governor's FY 11 midyear budget adjustments; additional cuts appear in this mitigation plan that were not included in the proposed revisions to the FY 11 budget but would also be extremely damaging to struggling families.

We *oppose* the following recommendations because they hurt families and will not save the state money. (Reference below to Medicaid adults includes HUSKY A parents):

- Imposing new premiums, increased premiums and increased co-pays on children in HUSKY B
- Imposing co-payments on adults in Medicaid
- Eliminating coverage for adult dental care (except for emergencies) in Medicaid
- Eliminating coverage for over-the-counter medications for adults in Medicaid
- Eliminating coverage for eyeglasses, contact lenses and vision services provided by opticians for adults in Medicaid
- Narrowing the definition of medically necessary and appropriate services in Medicaid
- Imposing prior authorization on all mental health drugs not on DSS's preferred drug list (applies to children too)
- Eliminating funding for HUSKY Infoline which provides a state-wide call center to help families with help regarding eligibility and access to care
- Eliminating funding for HUSKY independent performance monitoring
- Reducing funding to school based health centers, federally qualified health centers and other health safety net providers

As we have stated in recent testimony before this committee<sup>1</sup>, the Governor's proposed reductions will result from *eligible* children and families failing to enroll in the program due to unaffordable premiums, *eligible* children and families failing to utilize needed health care due to unaffordable co-pays, and health care providers being on the hook for co-pays that they cannot collect from many of the individuals whom they treat. Our conclusion is based on past experience here in Connecticut and across the nation.

We have the following specific comments about several of the above listed cuts:

### **Reject cuts to HUSKY B**

The Governor would impose premiums on children in HUSKY B income band 1, (185% to 235% of federal poverty (e.g., \$33,873 to \$43,028 for a family of three), where there are currently none. This would impact about 10,000 of the 15,500 children in HUSKY B, and would require a legislative change to implement. See, Sec. 17b-295(1).

The Governor would raise premiums for children in HUSKY B income band 2. Band 2 covers children with family income between 235% and 300% of the federal poverty level (e.g., \$ 43,028 to \$54,930 for a family of three). This would affect over 5,000 children under the age of 19. Their premiums would increase from \$30 to \$50 per child per month and the family maximum would increase from \$50 to \$75 per month. She also proposed this increase in her FY 11 budget.

New and increased premiums would result in thousands of children losing HUSKY coverage. We know this from experience. When HUSKY B premiums were raised in 2004 and again in 2005, thousands of children would have lost coverage had the premium increases gone into effect. *Recognizing the harmful impact, policymakers repealed the premiums — twice<sup>2</sup>*. Connecticut should avoid repeating mistakes of the past.

The Governor would raise co-payments for children's health services to equal the amount paid for services under the state employees' health benefits program. For example, outpatient physician visit co-payments would increase from \$5 to \$10 or \$15. The copayment for each outpatient mental health or substance abuse treatment would increase from no co-payment to \$10 or \$15. Over 90% of the children in HUSKY B have family income below 300% of federal poverty (e.g., below \$54,930 for a family of three). The state employee health plan covers families on average with far greater ability to pay. The Governor proposed this increase in her FY 11 budget.

The federal government pays two-thirds of the cost of HUSKY B for families under 300% FPL. To put it another way – to save one dollar in state funding we have to cut \$3 from the HUSKY B program. This is yet another case of penny wise and pound foolish decision making. .

### **Reject elimination of HUSKY Infoline**

We oppose the Governor's proposal to eliminate funding for HUSKY Infoline within United Way of CT/2-1-1 system for the remainder of this fiscal year. (She has also proposed elimination of this funding for next fiscal year.) HUSKY Infoline provides an important and unique service to thousands of Connecticut families every year. CT Voices staff has first-hand knowledge of the invaluable services that its experienced and multilingual care coordinators provide, helping kids and parents to get the health care they need and navigate the ever-changing HUSKY system.

We also know that the Department of Social Services has relied heavily on HUSKY Infoline to communicate with families about the implementation of frequent changes to the program, such as

the managed care transition, pharmacy and dental carve-outs, and the complicated federal citizenship documentation regulations. There is no other comparable, centralized and easy to access help-line for this important service. Given the economic challenges facing families combined with the proposed changes to the HUSK Y program, **the need to maintain HUSK Y Infoline is greater than ever.**

## **Reject Elimination of HUSKY Independent Performance Monitoring**

Connecticut Voices for Children provides independent performance monitoring of the HUSKY program through a grant from the Department of Social Services to the Hartford Foundation for Public Giving.<sup>3</sup> By tracking the care that children in HUSKY actually receive, independent performance monitoring helps to ensure that the goal of access to preventive care is met, and information is reported to all stakeholders in order to facilitate quality program improvements.

The Governor's mid-year budget adjustments for FY 11 include funding for this work, but none of the money has been released for FY 10.<sup>4</sup> At the Human Services public hearing on February 23, 2010, Commissioner Starkowski testified that there was no need for SB 139 (An Act Concerning Independent Monitoring of the HUSKY Program) because the Department was on the verge of entering into an agreement with CT Voices for Children for this work.

Now that the Governor has proposed "suspending" the funding for independent monitoring, the Department is not being allowed to move forward with this contract. The Governor's actions in not releasing any of this money means that the funding for all intents and purposes has been eliminated – not "suspended" as the mitigation plan describes the Governor's proposed action. Given the ongoing changes and proposed restructuring of the HUSK Y program, independent monitoring is more important than ever, and should be restored.

## **Adopt a Balance Approach to Solving our Financial Crisis**

It is good news to learn this week that Congress is poised to pass an extension of the Recovery Act's enhanced Medicaid matching funds, known as FMAP. The additional Medicaid monies would be extended six months through the end of SFY 11. In addition, Connecticut will receive additional FMAP funds having to do with the reduction in payments that the state would otherwise have to send to the federal government, i.e., "clawback" payments related to federal prescription coverage for seniors and persons with disabilities. These hundreds of millions of dollars in additional Medicaid funding should be used to preserve health care services for families grappling with the poor economy. However, we all know that such funding is not enough to close the budgetary hole.

Rather than relying on spending cuts that damage the state's economy and hurt our ability to invest in the future, we need a more balanced approach that includes revenues. As in other states, this crushing national recession is causing big problems for families. Just as people's needs are rising dramatically, the revenues the state has to meet those needs are falling. More than ever today, people need access to quality health care, child care, jobs, and education. So we have to fill that gap now between people's growing needs and what it takes to meet them. Without immediate action the gap will become a chasm.

We therefore urge you to support revenue options to help resolve this problem. Such options include closing corporate tax loopholes through combined reporting, evaluating the hundreds of millions of dollars in corporate tax breaks to see whether CT is getting an economic return on its investment, delaying reductions in the estate tax, and increasing income taxes on households that are most able to pay.

Thank you for the opportunity to submit this testimony concerning the Governor's Mitigation Plan for FY 10 and its impact on the HUSKY program. Please free to contact me if you have questions or need additional information.

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<sup>1</sup> See, S. Langer, Testimony regarding the Department of Social Services Budget: The HUSKY Program, Appropriations Committee. (Feb. 11, 2010); See also, S. Langer, Testimony regarding S.B. 32, An Act Implementing the Governor's Budget Recommendations Concerning Social Services, Human Services Committee (Feb. 23, 2010). <http://www.ctkidslink.org/testimony.html>

<sup>2</sup> See, S. Langer, M. Sullivan, Avoiding Past Mistakes: Increasing HUSKY B Premiums Would Leave Thousands of Children Uninsured. (May 2005), available at [http://www.ctkidslink.org/pub\\_detail\\_241.html](http://www.ctkidslink.org/pub_detail_241.html) ; See also, J. Hoadley, Proposed Medicaid Cost Sharing: Evaluating the Impact. (April 2009), available at [http://www.cthealth.org/matriarch/MultiPiecePage.asp?PageID=E\\_116\\_A&PageName=E\\_PublicationsPolicyBriefs](http://www.cthealth.org/matriarch/MultiPiecePage.asp?PageID=E_116_A&PageName=E_PublicationsPolicyBriefs)

<sup>3</sup> See, M. Lee, M. Sullivan, How is the HUSKY Program Performing? (March 2009), available at [www.ctkidslink.org/pub\\_detail\\_288.html](http://www.ctkidslink.org/pub_detail_288.html)

<sup>4</sup> MA Lee, Testimony regarding S.B. 139, An Act Concerning Independent Monitoring of the HUSKY Program, Human Services Committee (Feb. 23, 2010) <http://www.ctkidslink.org/testimony.html>