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TESTIMONY OF SHELDON TOUBMAN BEFORE THE APPROPRIATIONS COMMITTEE IN OPPOSITION TO MEDICAL ASSISTANCE CUTS CONTAINED IN GOVERNOR RELL'S MARCH 1ST PROPOSED DEFICIT MITIGATION PLAN

Members of the Appropriations Committee:

My name is Sheldon Toubman and I am an attorney with New Haven Legal Assistance Association. I am here to testify in opposition to the proposed cuts to state medical assistance programs contained in the Governor's proposed deficit mitigation plan, including, among other things

- Increasing already unaffordable drug copays on dual eligible Medicare/Medicaid recipients
- imposing unaffordable copays on the **entire** adult Medicaid population, for both drugs and medical services
- ending dental and eyeglass coverage for adults
- cutting payments to medical providers already paid way below Medicare, thus driving more of them out of the Medicaid program
- subjecting individuals stable on psychiatric medications to prior authorization-- which will result in some of them having access to their needed medications blocked
- Imposing a restrictive definition of medical necessity on all Medicaid recipients instead of the balanced definition that has been developed by the Medical Inefficiency Committee pursuant to last year's detailed statutory scheme

The Governor's proposed cuts are on top of the severe cuts to the medical assistance safety net **already** passed last year and which have quite painfully been put into place. As just a few examples, the budget passed last year:

- Ended coverage for non-formulary drugs unavailable to elderly and disabled Medicaid enrollees under the restrictive Medicare Part D plans they must now turn to for drug coverage because they are "dually eligible", and imposed \$15 monthly drug copays on these individuals
- Imposed restrictive prior authorization for psychiatric medications under Medicaid, HUSKY and SAGA, even for children (though grandfathering those enrollees already stabilized on particular psychiatric medications)

Rather than making these new harmful cuts, we should be looking at the **revenue** side of the equation, such as the proposals of the Better Choices Coalition, including cancelling reductions in Connecticut's estate tax which benefit only the very wealthy, and making the state income tax more progressive. We also should invest now in statewide rollout of HUSKY primary care case management and marketing to encourage participation in this cost-effective alternative to HMOs by both providers and HUSKY enrollees.

In addition, in the case of Medicaid cuts specifically, Connecticut is unexpectedly receiving \$66 million in new federal funds under the federal stimulus act-- \$40 million for the current fiscal year—to provide financial relief to our Medicaid program. This money is based on a downward recalculation of the state's "clawback" payments owed to the federal government for its savings from no longer providing drug coverage to dual eligible individuals, in light of the implementation of the Medicare Part D program. Health and Human Services Secretary Kathleen Sebelius announced on February 18th that these new funds are specifically intended to "help states as they struggle to maintain Medicaid." She also noted that President Obama recognizes "the critical role Medicaid plays in the health of our most vulnerable citizens."

The Governor's proposed cuts to medical assistance in her deficit mitigation plan can be fully offset by the additional funds from HHS intended to "maintain Medicaid."

The Governor is asking those with the least resources – our lowest-income residents, many of whom have serious and debilitating illnesses – to pay the biggest burden during this fiscal crisis. This is the second time that the state would take federal funds specifically intended to prevent cuts to Medicaid and use them instead to fill other holes in the budget, while cutting essential health care services to the most needy in our state.

I think that House Speaker Chris Donovan said it best about this proposal to take the new federal Medicaid money, which is intended to help Connecticut "maintain Medicaid," and then cut Medicaid benefits anyway:

"With the new Medicaid funds recently made available under the stimulus, Connecticut will realize a substantial savings in its expenditures. This money is intended to provide services to people who need them and I am disappointed that the Governor continues to attack this vulnerable population, inflicting cuts even when federal dollars are available to preserve services."

For all these reasons, I urge you to reject all of the Governor's proposed cuts to the state's medical assistance programs contained in her deficit mitigation plan.

Thank you for the opportunity to speak with you today.