
Testimony Regarding H.B. 6380
An Act Concerning the Budget for the Biennium Ending June 30, 2013
HUSKY and Medicaid in the Governor's Budget Proposal¹

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Appropriations Committee
March 4, 2011

Senator Harp, Representative Walker and Members of the Appropriations Committee:

I am testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families. I am a Senior Policy Fellow, concentrating in policy analysis and advocacy related to Medicaid and HUSKY health insurance programs for low-income families and children.

We wholeheartedly **support** the following programmatic recommendations of the Governor that will save money and, with proper oversight and contract management, may lead to improved service for children and families in the HUSKY Program:

- **Converts HUSKY to a non-risk model for medical services**, effective January 1, 2012. Converting from risk to a non-risk arrangement has the potential to provide increased accountability, transparency, savings, and improved access to the right care at the right time for children and families.² In short, it removes profit as an incentive for denying or failing to facilitate access to needed care.
- **Expands smoking cessation services to all adults in Medicaid.** Under this proposal all adults in HUSKY and Medicaid would be eligible for smoking cessation services. Currently only children and pregnant women in HUSKY A (Medicaid) and children in HUSKY B have access to such services.³ Helping parents quit smoking will improve their health and reduces children's exposure to secondhand smoke.
- **Upgrades the Eligibility Management System:** As the Governor's budget notes, replacing the eligibility system is long overdue. In order to support the health reform insurance exchange that will be in place by 2014, the state needs to upgrade its Medicaid eligibility system. The federal government will provide 90% reimbursement for these technological upgrades. The Governor proposes funding for planning and procurement of a new system in the next biennium.

We **oppose** the following proposals to impose cost-sharing, reduce preventive health benefits, and other cuts to HUSKY⁴:

- **Imposes new co-payments on some children and most adults for some services in the Medicaid program:** Research demonstrates that cost-sharing required of low-income families is bad medicine. Increased cost-sharing does not save money in the program and is associated with worse health outcomes for low-income families, the elderly and individuals suffering from chronic illness – all populations currently on HUSKY A or Medicaid.⁵ Under current federal law, children are exempt from co-pays for preventive services. Moreover, under state law,

children in Connecticut's Medicaid program should be exempt from the co-payment requirement all together.⁶ Under federal law, all pregnant women are exempt from the co-payment requirement. The federal health reform legislation outlawed co-pays for preventive services provided through commercial plans. It is not good policy to impose such costs on those among us with the worst health and least ability to pay.

- **Reduces dental services for parents and other adults in Medicaid:** This provision would limit regular dental check-ups, cleanings and x-rays to once per year for "healthy adults" and tighten up criteria for determining the medical necessity of procedures for children and adults. It is unclear from the Governor's proposal what is meant by tightening up the use of certain procedure codes and how that will affect children and adults. Children in Medicaid are eligible for all medically necessary dental services under the state and federal protections known as "early and periodic screening, diagnostic and treatment" (EPSDT) services.⁷
- **Reduces coverage for eyeglasses for adults in Medicaid:** This provision would reduce coverage for eyeglasses from one pair per year to one pair every other year. While at first blush this may make sense, what happens if an individual breaks or loses his glasses? Do we really want people going without glasses and hindering their ability to drive, work and be productive citizens?
- **Eliminates funding for independent performance monitoring of the HUSKY Program:** Since 1995, the Hartford Foundation and its grantee Connecticut Voices for Children have provided state-funded independent data analysis of health services for children and families, such as well-child, dental, asthma, emergency care, and births to mothers with HUSKY or Medicaid coverage.⁸ This analysis has led to adoption of policies to reduce gaps in coverage, and improve asthma care, dental care, and access to prenatal care. As with other services provided in Medicaid, the federal government reimburses the state for about 60 cents on the dollar to provide this independent monitoring of the program. Without such analysis, policymakers and the public do not know how well the program is meeting its goals of providing quality and cost-effective health care to the more than 415,000 Connecticut children, parents, and pregnant women who rely on the HUSKY program for their care.
- **Reduces coverage and access to care for low-income adults (LIA) in Medicaid.** We oppose the Governor's proposal to limit the services available to some of the poorest individuals on Medicaid. These are adults ages 19 to 65 with income below 60% of the federal poverty level. They should continue to have access to the same benefits as other groups of Medicaid enrollees - HUSKY parents, seniors and adults with disabilities. In addition, we take this opportunity to reiterate our opposition to the Department's proposal through an amendment of the Medicaid Plan to reduce access to coverage for 19 and 20 year olds on Medicaid.⁹

To maintain these vital services and avoid damage to Connecticut families and the economy, we need a balanced approach to closing the budget deficit that pays as much attention to revenue reforms as to spending smarter. Governor Malloy's revenue proposals are a good start in this direction, but they could be strengthened by focusing income tax increases on wealthy households that are most able to pay, closing corporate tax loopholes through combined reporting reform, eliminating more sales tax exemptions that don't have strong benefits for the economy or tax equity, reversing reductions in the estate tax rates, and reviewing the hundreds of millions of dollars in corporate tax subsidies and eliminating those that aren't producing good jobs.

Thank you very much for this opportunity to testify regarding the Governor's budget proposal and its impact on the HUSKY and Medicaid programs.

¹ See, S.B. 1013, *An Act Implementing the Governor's Budget Recommendations concerning Human Services*.

² We learned recently that the current HUSKY health plans, for example, were paying on average only 70.6% of their monthly payment from the state toward medical care for children in HUSKY B; one plan reported paying only 62 cents of every dollar on health care. See, minutes of Medicaid Care Management Council meeting (Oct. 8, 2010) available at www.cga.ct.gov/ph/mc/default.htm This is particularly troubling given that the legislature last year increased the premiums and co-pays on many of these children.

³ As the Governor's budget notes, after Massachusetts began providing such services to Medicaid enrollees, the smoking rate fell 26% during the first 2.5 years after implementation and heart attacks and admissions to emergency departments for asthma symptoms decreased among those who used the smoking cessation services.

⁴ For a fuller analysis of the impact of the Governor's budget proposal on HUSKY, see, Lee, MA, Langer, S., *The HUSKY Program: The Impact of the Governor's FY 2012 Budget Proposal* (Feb. 18, 2011), Connecticut Voices for Children, available at www.ctkidslink.org and attached.

⁵ Goodell, S., Swartz K., *Cost-sharing: Effects on spending and outcomes*, The Synthesis Project, Robert Wood Johnson Foundation, Policy Brief No. 20 (December 2010), and report, available at www.policysynthesis.org.

⁶ Conn. Gen. Stat. Sec. 17b-261(i): "The Commissioner of Social Services shall provide Early and Periodic Screening, Diagnostic and Treatment program services, as required and defined as of December 31, 2005, by 42 USC 1396a(a)(43), 42 USC 1396d(r) and 42 USC 1396d(a)(4)(B) and applicable federal regulations, to all persons who are under the age of twenty-one and otherwise eligible for medical assistance under this section." This statute codified the protections in federal law that pre-dates the Deficit Reduction Act of 2005 which allows the imposition of cost-sharing for certain services on children.

⁷ Conn. Gen. Stat. Sec. 17b-261(i); 42 USC 1396a(a)(43), 42 USC 1396d(r) and 42 USC 1396d(a)(4)(B).

⁸ Eliminates funding under the "Children's Health Council" line item for performance monitoring. See, *Independent Performance Monitoring in the HUSKY Program: Ensuring Accountability for Scarce State Dollars* (Feb. 2010), attached.

⁹ See, Notice of Proposed Changes to the State Medicaid Plan, SPA 11-002, available at www.ct.gov/dss/lib/dss/pdfs/spa11-002.pdf In our formal comments to the proposed change, we stated our "concern[] that the Department may drop many if not most of the nearly 4,000 19-20 year olds without any investigation of the circumstances that led their families to elect this health insurance coverage." (Connecticut Voices for Children comments available upon request).