

TESTIMONY to the Human Services Committee

March 15, 2011

In favor of HB 6587, AAC the Department of Social Services' Establishment of a Basic Health Program

Ellen Andrews, PhD
Executive Director

Thank you for the opportunity to share our excitement and support for HB 6587 and for Connecticut to take advantage of this unique opportunity to improve care and save money for working families in our state.

The Affordable Care Act's Basic Health Program (Basic HP) provision is an important policy option allowing the state to provide comprehensive care to thousands of struggling adults through a plan mirroring the current Medicaid program that HUSKY parents now enjoy. Adopting the Basic HP option will allow thousands of low income adults access to more comprehensive coverage with lower cost sharing than they would incur if they were defaulted into the health insurance exchange at a lower cost to both state and federal government. It is estimated that exercising the Basic HP option will cost Connecticut less than the federal reimbursement we will receive, costing the state nothing for this enhancement of coverage, and providing excess funds that can be used to raise provider rates. As incomes are more volatile at lower wage levels, the Basic HP would ensure that fewer people churn back and forth between Medicaid and the health insurance exchange, supporting continuity of care.

If Connecticut chooses not to exercise the Basic HP option and instead moves those adults into the health insurance exchange, thousands of low-income state residents will have to pay hundreds in annual health insurance premiums, deductibles and copayments for less comprehensive coverage. If their income increases during the year, they may also be subject to tax penalties to recover subsidies which could reach over a thousand dollars. Current HUSKY parents may have to find new providers as they leave their current plan and shift into the exchange, potentially disrupting ongoing care. A wrap-around program, as has been proposed, would cost far more than the \$50 million the state will save on coverage of these residents under national reform and Connecticut is not in a position to either forgo savings or devote new resources to shore up less comprehensive coverage.

Adopting the Basic HP option is a rare win-win-win opportunity for low-income state residents, underpaid Medicaid providers and for taxpayers. I urge you to pass HB-6587 and thank you for your time and your commitment to improving the welfare of every Connecticut resident.