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Testimony before the Insurance and Real Estate, Human Services and Public Health Committees on RB 921, 6305 and 6323

by Jane McNichol, Executive Director
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I am Jane McNichol, Executive Director of the Legal Assistance Resource Center of Connecticut, the advocacy and support center for legal services programs in the state. We represent the interests of very-low income residents of Connecticut.

I am here to support the important movement toward universal health care embodied in both the SustiNet legislation (RB 6305) and the bills which implement aspects of federal health care reform (RB 921 and 6323). As we move closer to universal coverage, it is vitally important that we also ensure that **health insurance coverage** is coupled with **access to affordable, quality health care.**

As an advocate for low-income people who most often rely on Medicaid or Medicare for health care coverage, I want to emphasize the importance of including a **Basic Health Plan designed to meet the particular needs of low-income residents of Connecticut as we implement the Affordable Care Act.**

The Basic Health Plan option was designed to ensure that high-cost states, like Connecticut, could design programs for low-income residents with incomes above 133% of the federal poverty level who would find the cost of obtaining health care through the exchange prohibitive, even with the federal subsidies.

The Basic Health Plan option allows states to set up a program, outside the exchange, for residents with incomes between 133% and 200% of the federal poverty level. **Sections 7 and 8 of the SustiNet implementation bill contain a mandate for a Basic Health Plan which will provide Medicaid-like benefits to residents with incomes between 133% and 200% of the federal poverty level.**

This is a particularly important protection for **parents and caregivers of children covered by HUSKY A (Medicaid)**. Currently, children and their parents in families with incomes up to 185% of the federal poverty level are eligible for HUSKY A.

In 2014, Connecticut will have the option of continuing this parental coverage under Medicaid. But there is a significant financial incentive to end Medicaid coverage at 133% of the federal poverty level.

To ensure that these parents do not lose health care benefits currently available to them, including the benefits of limited cost sharing requirements, Connecticut must continue coverage to HUSKY parents at 185% of the federal poverty level or establish a Basic Health Plan with features that parallel Medicaid. The SustiNet Plan in RB 6305 recognizes the need for the Basic Health Plan option in Connecticut.

Neither of the bills establishing the Health Insurance Exchange being heard today discuss this option, or require its adoption.

It is appropriate and necessary to include a Basic Health Plan option in any legislation authorizing an Exchange because the Basic Health Plan impacts the design of the Exchange. Developing our response to federal health care reform requires that we consider in its entirety the system of health care coverage for Connecticut residents in 2014 and avoid the piecemeal approach to health care coverage that we are now living with.

I urge you to add the option of a Basic Health Plan as described in Section 7 of RB 6305 to any legislation authorizing the establishment of a Health Insurance Exchange.

Thank you for your attention to this issue and your work on the important issue of health care reform.