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**Testimony of Sheldon Toubman before the Appropriations Committee in Opposition to Proposed Cuts to the Low-Income Adult Medicaid Program in the Governor's Budget**

Good evening, members of the Appropriations Committee. My name is Sheldon Toubman and I am a staff attorney with New Haven Legal Assistance Association, specializing in access to health care under the Medicaid program.

I am here to testify in opposition to the proposal in the Governor's budget to severally cut the Medicaid program for the lowest income group of recipients—those who qualify under the Low Income Adults part of the program (known as HUSKY D). According to the budget summary, the “proposed budget maintains Governor Malloy's commitment to preserving the health and human services safety net.” On the same page, under the heading “Low Income Adult (LIA) Waiver, however, the document proceeds to explain \$22.5 million in cuts from the LIA Medicaid program through both severe restrictions on eligibility for this program and severe cuts in benefits for those who still qualify for it.

First, it is important to be aware of the very low income eligibility standards for this program already-- \$508 in most of the state; \$617 (with a potential \$150 disregard for earned income). This is the lowest income group in Connecticut; although aged and disabled individuals nominally have the same income cap, the disregards for them are somewhat more generous (\$302 in unearned income). In general, even with the disregards, these individuals have income at about 80% of the poverty level, while families on HUSKY A can have incomes up to 185% of the poverty level.

Second, even if this was not the poorest group, it is inappropriate to create a second-tier Medicaid benefit for **any** low-income group. The whole point of passage of the Patient Protection and Affordability Act (ACA) is to reduce rates of both the uninsured **and** under-insured. Adoption of the LIA program has done both, and adopting the proposed cuts would harm this very vulnerable population by increasing the number of individuals who have insurance but which is inadequate. Clearly, imposing numerical limits on doctor visits and therapy sessions, and dollar caps on all kinds of medical equipment (other than wheelchairs), will cause substantial harm, given the clear inability of this population to pay for services on its own.

Third, the proposed tightening of eligibility will have a particularly harsh effect on low income adults under 26 living with their parents. Even though nothing in the ACA allows for the counting of income of parents of such adult applicants, under the proposal, the parents' income will count regardless of whether it is actually available to the applicant and regardless of whether

the parent has commercial health insurance available to his or her adult child. The rationale that these individuals can all get insurance through their parents' commercial plans presupposes that they all **have** such insurance and that this also includes family coverage which is both available to them and affordable. (The ACA does require commercial insurers offering and providing insurance to family members to cover children up to age 26, but that does not help an individual whose parent does not have commercial insurance, does not have access to family coverage or cannot afford the substantial additional cost to obtain family coverage.) And given the very low income cap for LIA, counting parents' income will almost certainly disqualify their children.

Adoption of an asset limit for LIA certainly might seem reasonable. However, adopting an asset test now would require a re-enrollment procedure for all the 74,000 individuals now in LIA, with many needy individuals likely to be inappropriately dropped in the process, or to suffer substantial delays in getting re-enrolled given the severe staffing shortages at DSS. And then, in January of 2014, the asset limit would in any event have to be removed, as it already was years ago for the HUSKY A population.

But perhaps what is most disheartening about this proposal is that Connecticut was the first state in the nation to adopt the option of including new populations under 133% of the poverty level in the Medicaid program, even before this is mandated in January 2014. It was with much fanfare that HHS Secretary Sebelius and former Governor Rell announced this initiative in June of 2010, when Connecticut became "the first state in the nation to *permanently* add low-income adults to its Medicaid program under the new Affordable Care Act." (June 21, 2010 Joint News Release, at <http://www.hhs.gov/news/press/2010pres/06/20100621a.html>). And Connecticut's early adoption of this opportunity has proven to be quite successful, in terms of moving individuals from no insurance at all or from limited coverage under a hodge-podge of 100% state-funded grants, to an organized system of care, reimbursed 50 cents on the dollar by the federal government. The changes proposed in the budget document would significantly undermine the program adopted just last year and threaten access to care.

Although more individuals signed up than expected, a significant portion of this increase is due to the poor state of the economy, with many individuals losing their jobs and the health insurance that went along with these jobs. Medicaid LIA coverage offers a critical safety net and has limited the number of uninsured in the state, a primary goal of the passage of the ACA. This success confirms the wisdom of the ACA in ending the arbitrary eligibility classifications among poor individuals which have always characterized the Medicaid program.

Accordingly, imposing any of these changes on **any** part of the Medicaid program, creating a second tier Medicaid program, would exact serious harm and should be rejected. While the budget document asserts that these changes are necessary because the Low Income Adults program is "unsustainable," this declaration is substantially undermined by the fact that, come January 2014, as among the current Medicaid eligibility groups, **only** the Low Income Adult program will be reimbursed 100% by the federal government.

I therefore respectfully urge you to reject all of the proposed changes to the Low Income Adult part of the Medicaid program. Thank you.