CONNECTICUT HOSPITAL ASSOCIATION

# TESTIMONY OF CONNECTICUT HOSPITAL ASSOCIATION SUBMITTED TO THE APPROPRIATIONS AND HUMAN SERVICES COMMITTEES Tuesday, July 24, 2012

## PROPOSED MEDICAID 1115 WAIVER FOR LOW INCOME ADULTS

The Connecticut Hospital Association (CHA) appreciates this opportunity to present comments with respect to the **PROPOSED MEDICAID 1115 WAIVER FOR LOW INCOME ADULTS.**

Before outlining our concerns, it's important to detail the critical role hospitals play in the health and quality of life of our communities. Our state's hospitals are more than facts and figures, and dollars and cents. Hospitals, at their core, are all about people. All of our lives have, in some way, been touched by a hospital: through the birth of a child, a life saved by prompt action in an emergency room, or the compassionate end-of-life care for someone we love. Or perhaps our son, daughter, husband, wife, or friend works for, or is a volunteer at, a Connecticut hospital.

Hospitals provide care to all people regardless of their ability to pay. In fact, every three minutes, someone without health insurance comes to a Connecticut hospital in need of inpatient, emergency, or outpatient surgical services. Connecticut hospitals are the ultimate safety net providers and offer care 24 hours a day, seven days a week, 365 days a year.

Every day, healthcare professionals in hospitals see the consequences and health implications for individuals and families who lack access to care and coverage. Emergency departments are filled with individuals who cannot find a physician to care for them because they are uninsured or underinsured – or they are Medicaid beneficiaries and few physicians will accept the low rates paid by Medicaid. Throughout Connecticut, our emergency rooms are treating both those who have delayed seeking treatment because of inadequate or no coverage, and those who have no other place to receive care.

Thus, as frontline caregivers, Connecticut hospitals are absolutely committed to initiatives that improve access to high quality care and expand health insurance coverage. Connecticut hospitals stand ready to partner on solutions to create a system of healthcare coverage that ensures access to all residents. Such a system must ensure seamless coordinated care that is affordable to individuals and families, and is sufficiently financed. The ultimate goal is to establish a healthcare system through which coverage is affordable and sustainable, and access to care is guaranteed.

Connecticut hospitals know all too well how difficult it is to operate in the current economic environment, and are constantly making choices amongst competing priorities. We recognize that the choices made by Governor Malloy and the legislature this session to balance the FY 2013 budget were especially difficult. However, CHA opposes several provisions in the FY 2013 budget that would negatively impact patients, hospitals, and the communities they serve.

Specifically, hospitals oppose those provisions that will reduce Medicaid Low-Income Adult (MLIA) enrollment by seeking a waiver to: (1) establish a $10,000 asset limit; (2) count family income when determining eligibility for individuals under the age of 26 and either living with their parents or claimed as a dependent for tax purposes; and (3) limit nursing home coverage to 90 days.

The Department of Social Services estimates that the changes will result in a reduction in spending of approximately $52 million in FY 2013, with an impact of between 15,000 and 20,000 individuals losing eligibility in the MLIA program.

The aim of the federal government's Patient Protection and Affordable Care Act (PPACA) is to expand access to care and improve quality of care for all patients, and certainly not to reduce eligibility and limit access to critical care for those most in need. Connecticut was the first state in the nation to permanently add low-income adults to the Medicaid program under PPACA. The changes sought in the proposed 1115 waiver will move Connecticut in the wrong direction. We should continue on the path of supporting PPACA and its provisions of providing access to healthcare, and not limit its applicability by imposing asset tests and income and coverage limits.

This is not the time to make changes in MLIA enrollment. As we move toward 2014 and begin to fully implement PPACA, Connecticut now has an unprecedented opportunity, through federal healthcare reform, to make it better for patients, businesses, the state, and providers. Connecticut will benefit from the full implementation of reform, as Connecticut's reimbursement from the federal government for the MLIA program will double.

Each of these anticipated reductions through the proposed 1115 waiver will make it more difficult for people to find care in the appropriate setting, and to enroll and remain in the Medicaid program. Each will have a negative impact upon Connecticut hospitals. In these challenging economic times, it is more important than ever for the state to remain steadfast in its commitment to help those who cannot help themselves.

The proposed changes to the MLIA program will impede access to healthcare coverage for a vulnerable population that just recently became eligible for Medicaid coverage under federal reform.

Over the course of the last several years, Connecticut hospitals have worked collaboratively with the Committees on Appropriations and Human Services, and with other healthcare advocates, to expand access to healthcare for the MLIA population. Your actions have helped those in need access healthcare for one of our most vulnerable populations. The proposed modifications in the program would likely cause significant disruption and a loss of access to needed healthcare services.

We urge you to oppose the Proposed Medicaid 1115 Waiver For Low Income Adults.

Thank you for your consideration of our position.

For additional information, contact CHA Government Relations at (203) 294-7310.