

**Testimony Opposing  
The Department of Social Service's Application for an 1115 Demonstration Waiver for  
Medicaid Low-Income Adult Coverage  
Appropriations and Human Services Committees**

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Dear Senator Harp, Representative Walker, Senator Musto, Representative Tercyak, and Members of the Appropriations and Human Services Committees:

I am a Senior Policy Fellow at 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. My primary focus at Connecticut Voices is on access to coverage and care for children and families in the HUSKY Health program.

On behalf of Connecticut Voices, I am testifying in **opposition** to the Department of Social Services' Application for an 1115 Waiver to restrict eligibility for HUSKY D clients – low-income adults with income below 56 percent of the federal poverty level between the ages of 19 and 65. I provide these comments in light of our extensive knowledge of the Connecticut's HUSKY Health program, the importance of health coverage for access to timely and preventive care, and the challenges that the beleaguered Department faces in enrolling and retaining eligible babies, children, teens, pregnant women and families.<sup>1</sup>

The Department is proposing to the federal Centers for Medicare and Medicaid Services (CMS) that it be permitted to 1) impose a \$10,000 asset test, 2) count parental income and assets when a young adult between the ages of 19 and 26 lives with his or her parent(s) or such young adult is claimed as a dependent on the parent(s) federal tax return, and 3) limit nursing home coverage to 90 days. We understand that the legislature agreed with this proposal in the hope of saving the state \$50 million.

We are particularly troubled by the fact that since the beginning of July the Department has sent correspondence to current HUSKY D enrollees notifying them of the anticipated restrictions in eligibility, and requesting information about their assets (and parental income and assets for those under age 26) in advance of submission of the waiver application. We have learned from our community partners that the letters have caused anxiety and confusion among this vulnerable population. I cannot remember a time over the course of my almost 30-year career where the Department has notified clients of changes that have neither been authorized nor implemented.

We believe that all of the above changes are misguided. Because the real purpose of the waiver is to save the state money, it does not meet the requirements of an 1115 Waiver application to serve "an experimental, pilot or demonstration" purpose, to promote the objectives of the Medicaid Act and to be conducted within an appropriate extent and time period.<sup>2</sup> The earliest that the Department can expect to institute the changes outlined in the waiver is October 1, 2012. With regard to the last requirement, this waiver would be in effect for 15 months at the most – until January 1, 2014 when the federal Medicaid program will cover adults under 65 with income below one hundred thirty three percent of the federal poverty level with wholly federal funding and the waiver is expected to end.

Due to the Department's inability to process timely applications, it is currently subject to not one but two lawsuits, one focusing on Medicaid delays and the other on delays in processing SNAP applications.<sup>3</sup> It is inconceivable that the Department could handle the review of 78,000 HUSKY D clients' eligibility - as well as new applications - to determine the extent of an individual's assets (and those of parents in the case of a young adult under age 26). We have no doubt this action will have deleterious effects on the processing of applications and renewals for eligible children and families in HUSKY A. Moreover, the Department is unable to process timely Medicaid renewals leading instead to inappropriate terminations of eligible clients. In a recent letter to legal aid attorneys representing wrongly terminated Medicaid clients, Commissioner Bremby acknowledged (as he has done repeatedly in public forums) that the Eligibility Management System (EMS) is outdated "and has very little capacity for change at this time."<sup>4</sup> The Department's waiver proposal would require major changes to EMS programming related to the HUSKY D program.

The Department assumes, without ever providing concrete evidence, that young adults, ages 19 to 26 who obtain HUSKY D eligibility and are residing with one or both parents have access to commercial coverage through their parents' employment. In light of decreasing availability of employer sponsored insurance, particularly for lower-income households and new hires,<sup>5</sup> the Department lacks evidence to show that parents have options for affordable dependent coverage. To date, the Department has not provided evidence that families with access to affordable employer-sponsored coverage for their young adult children are instead enrolling them in HUSKY D. The waiver would allow the Department to count parental income and assets merely because the young adults are living with their parents. Thus, it appears that the goal of the waiver is to penalize the families of young adults who live at home. This approach is particularly worrisome and fiscally short-sighted with regard to those who may be living at home due to mental health problems and whose health care needs require the supportive atmosphere of a parent's home.

Current Medicaid law requires applicants to divulge whether they are covered under another insurance plan, such as a parent's health plan. In that case the private plan acts as the primary insurer and Medicaid as a secondary insurer or insurer of last resort. Allowing parental income and assets to be deemed to young adults up to age 26 is a huge and unwarranted departure from current Medicaid law. The Affordable Care Act does not require families with access to dependent coverage to take it up but rather requires insurers that offer dependent coverage to allow young adults under the age of 26 to remain covered. The proposed waiver turns this option on its head and instead allows the state to deny coverage to a young adult whose parents may or may not have access to such coverage.

On behalf of Connecticut Voices for Children, thank you for this opportunity to testify in opposition of the submission of this waiver to CMS.

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<sup>1</sup> See, for example, Connecticut Voices for Children. *Children in the HUSKY Program Experience Gaps in Coverage: An Update*. May 2012, available at [www.ctvoices.org](http://www.ctvoices.org).

<sup>2</sup> *Newton-Nations v. Betlach*, 660 F.3d 370 (9<sup>th</sup> Cir. 2011) (in reversing the Secretary's approval of a Sec. 1115 the Court of Appeals concluded that saving money without a research or experimental goal does not satisfy the criteria.)

<sup>3</sup> See *Shafer v. Bremby*, No. 3:12-CV-00039 (AWT) (filed January 9, 2012, D. Conn) (Medicaid); *Briggs v. Bremby*, No. 3:12-cv-00324-VLB (D. Conn) (SNAP).

<sup>4</sup> See letter from Commissioner Roderick Bremby to Attorney Sheldon Toubman, New Haven Legal Assistance Association, dated June 22, 2012.

<sup>5</sup> See, Connecticut Voices for Children. *Uninsured Children in Connecticut: 2010*. October 2011, available at [www.ctvoices.org](http://www.ctvoices.org).