



**Testimony before the Public Health Committee March 21, 2012  
In Support of SB 425, AA Concerning a Basic Health Program  
Submitted by: Domenique S. Thornton, Esq., Mental Health Association of CT, Inc.**

Senator Gerrantana, Representative Ritter and members of the Public Health Committee, my name is Domenique Thornton. I am the Director of Public Policy for the Mental Health Association of Connecticut, Inc. (MHAC). MHAC was established in 1908, the first private nonprofit dedicated to service, education and advocacy for people experiencing mental health disabilities. Thank you for the opportunity to come before you today to testify in support of SB 425 establishing a Basic Health Program (BHP), an option under federal health reform. BHP presents the opportunity to provide affordable and comprehensive health care coverage to people under the age of 65 who are not eligible for Medicare or Medicaid nor have access to employer sponsored healthcare and earn between 133% and 200% of Federal Poverty Level (FPL). People in this age and income range are not likely to be able to pay premiums and cost-sharing required by the future health insurance exchange or other insurance products. Cost-sharing can also be lower in the BHP than in the Exchange or other commercial plans. We support a Medicaid-like benefit program, for those with incomes under 200% of FPL with out-of-pocket costs of zero to enrollees. Healthcare coverage costs will continue to be out of reach even with the federal subsidies offered to individuals. Therefore, they would likely continue the cycle of high cost uncompensated, uninsured emergency care.

The BHP can be designed so that it is completely funded within federal subsidies and it could have the advantage to be designed with the benefit plan and same provider network for ease of administration and continuity of care to the enrollees and their families. Medicaid like benefit would provide services that are inadequately covered in many commercial plans. Among the services that may not be as covered as well in commercial plans include mental health, substance abuse services and oral health. Transportation would likely not be provided for at all under these plans. Many people at the lowest end of the income spectrum slightly

above 133% of FPL may find themselves ineligible for Medicaid or bouncing in and out of eligibility causing additional administrative burden to monitor income levels as well as disruption of care due to different provider networks. If all those under 200% FPL were enrolled using the same ASO, the state could also enjoy a savings through administrative efficiency.

The Mercer Report indicated that **“additional costs would be more than offset by the savings of the state share of Medicaid funds now being expended for these populations.”** <sup>1</sup> *[Emphasis added.]* The state could save \$48 million it is now spending to cover HUSKY parents up 185% and pregnant women up to 200% as well as the working disabled because they would be covered by the BHP and paid for with federal not state dollars. A BHP that was a Medicaid look alike could enable Connecticut to offer 75,000 to 100,000 people affordable, good quality health care at no cost to the state. The Mercer report also indicates that the “Medicaid scenario provides the best advantage to this low-income population, which would also have the best chance of maximizing enrollment. This scenario would both cover the greatest number of eligible adults and result in the lowest morbidity level of the risk pool.” <sup>2</sup> Designing a BHP that looks like Medicaid would save the state money by delivering medical, dental and mental health care in an integrated cost effective manner using the same provider networks as HUSKY.

However, SB 425 also has the added protection of giving Connecticut the ability to redesign the plan if federal funds are not sufficient to fully pay for the cost of implementation. Section 1(b) of SB 425 provides that, in the event the Governor’s special advisor for health care reform “determines that the cost of medical assistance provided to enrollees in the basic health program will exceed the federal subsidies available to the state to fund the program,” she, in consultation with the Commissioner of Social Services, “shall develop a plan, or revised plan, for the basic health program that maximizes benefits and minimizes cost-sharing, utilizing funds available from federal subsidies to fund the program.” Connecticut residents need early and continuous integrated medical and mental health services that the Basic Health Program would provide instead of costly crisis interventions such as emergency rooms or repeated hospitalizations. Connecticut needs a BHP now especially when we have the opportunity to do so in a cost neutral manner.

Thank you.

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<sup>1</sup> Mercer Report to the Health Insurance Exchange Planning Report dated January 10, 2012, p. 178.

<sup>2</sup> Ibid., p. 187.