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Testimony of
Advocacy for Patients with Chronic Illness
In Support of Raised Bill No. 425

March 16, 2012

Thank you for this opportunity to voice our support for SB 425, and Act Establishing a Basic Health Program.

Advocacy for Patients with Chronic Illness is a 501(c)(3) tax exempt nonprofit that provides free insurance and legal assistance to patients with chronic illnesses nationwide. As part of that work, we assist consumers to find sources of financing of their health care, from commercial insurance to publicly funded benefits. Based on our extensive experience working with consumers in this capacity, we strongly support the creation of a Basic Health Program in Connecticut.

Connecticut should take advantage of the Basic Health Program option to design a program that mirrors the benefits, cost-sharing and procedural protections of Medicaid for eligible populations with incomes between 133% and 200% of the federal poverty level. Individuals at this income level will find the cost-sharing requirements in the Exchange unaffordable, even with the subsidies in the Affordable Care Act (ACA) and, thus, may remain uninsured. The Basic Health Program provides an affordable option at no cost to the state; the federal funding formula for the Basic Health Program should cover all the Basic Health Program costs, as confirmed by Mercer's report to the Health Insurance Exchange Board. Any excess federal funds should be used to increase provider reimbursement rates. This option is particularly important to the roughly 15,000 parents currently enrolled in the HUSKY A Medicaid program with incomes between 133% and 185% of the federal poverty level.

The ACA provides significant financial incentives to the state to move people with incomes over 133% of the federal poverty level (FPL) out of Medicaid. A Basic Health Program that mirrors Medicaid would continue the coverage now available to these individuals and make it easier to keep parents and children in Medicaid covered by the same health plan. In addition, having a Basic Health Program would provide continuity of care and ease of administration if an individual's income fluctuates above and below 133% FPL in the course of a year. Further, Medicaid provides benefits that are particularly important to low-income people and are not adequately covered in commercial plans, including mental and oral health services and transportation. A Basic Health Program that mirrors Medicaid's benefit structure would mean that a Medicaid recipient whose income increases to above 133% FPL would not lose these essential benefits.

Indeed, if the State Basic Health Program mirrored Medicaid, the state could save $48 million in state Medicaid spending by covering HUSKY parents and pregnant women with incomes over 133% FPL who are currently covered in Medicaid. Thus, RB 5450 also lowers HUSKY A parent and pregnant women eligibility for Medicaid to 133% FPL. This means that HUSKY A parents and pregnant women with incomes between 133% and 200% FPL would be eligible for the State Basic Health Program instead of Medicaid at a large savings to the State.

Truly, we see no down-sides to the creation of a Basic Health Program. It will improve the lives of low income individuals at a savings to the State. We strongly urge passage of SB 425.