



Appropriations Committee and Human Services Committee  
July 24, 2010  
American Cancer Society Testimony

**RE: PROPOSED SECTION 1115 WAIVER TO CUT ELIGIBILITY, BENEFITS FOR THE MEDICAID LOW INCOME ADULTS PROGRAM**

***The American Cancer Society strongly OPPOSES the Department of Social Services proposed Medicaid Low Income Adult Section 1115 waiver.*** This waiver request directly contradicts the stated intent of the Affordable Care Act as well as efforts undertaken in Connecticut the last two years to INCREASE the number of individuals with adequate, affordable, administratively simple and available health care and would leave a very vulnerable segment of our population with few options and next to no safety net.

We have made significant progress in recent years in addressing the cancer problem. Cancer death rates have decreased by 19% among men and 12% among women since the early 1990s. Despite this significant progress, the American Cancer Society realizes that its long-term goals of reducing the incidence and mortality of cancer cannot be achieved unless the gaps that exist within the current health care system are addressed. The challenge lies in the fact that our health care system is not up to the task.

In the absence of a system that ensures adequate, affordable coverage—especially to those with low income, a cancer diagnosis can quickly translate to bankruptcy for families and in the worse case scenarios, the inability to access potentially lifesaving treatments. As such, we must ensure that healthcare reforms in Connecticut meaningfully meet the needs of **all** individuals diagnosed with cancer.

In 2010, Connecticut took a major step towards ensuring greater access to health care by becoming the first state in the country to expand Medicaid coverage under federal health care reform, through the Low Income Adult program. Now, only two years later, the state is looking to take a major step backwards by reducing enrollment and benefits of the LIA program, which is intended for those low income adults least likely to find alternative coverage. Inexplicably, this flies in the face of the fact that, in less than a year and a half, the Federal Government will begin fully funding the expansion—100% for three years followed by a gradual decline to 90% reimbursement in 2020, which will then apply indefinitely.

In an effort to reign in state costs before the program becomes fully funded, DSS proposes to establish an asset test of \$10,000 for all individuals on LIA, ages 19-64, even though the income limit under this program is around 55% of the Federal Poverty Level (FPL), so any significant assets are extremely unlikely. But attempting to locate

the few, if any, LIA enrollees with such assets will create a heavy strain on the already overburdened DSS eligibility workers, causing delays in access to Medicaid for applicants and enrollees under all aspects of the Medicaid program.

Additionally, the waiver would require individuals who are between 19-26 and who live with their parents or are still claimed as dependents to provide information on their parent's assets and income. Any income or assets of the parent will be deemed to the adult child. Since the income limit for LIA is so low (55% of poverty is about \$512 per month), almost all adult children 19-26 living with their parents will be terminated from the LIA program, whether or not there is access to alternative coverage.

DSS argues that this waiver is necessary because the current program and enrollment levels are financially unsustainable. What is more concerning, however, is that public response to this expansion of Medicaid has clearly shown there are growing numbers of people without coverage and without any viable alternatives other than emergency room visits—which drive up the cost of health care for all. The benchmark of 55% of FPL means that in order to qualify, an individual would have an income of little more than \$6100 per year or just over \$500 per month.

DSS has already begun sending out warning letters informing enrollees that they will be required to resubmit applications and supporting materials or be removed from the program. However, DSS is currently sinking under the weight of hopelessly outdated computer systems that have repeatedly led to countless processing delays of applications for not only LIA but all other Medicaid programs as well. We have serious concerns about the Department's ability to re-screen 78,000 resubmitted LIA applications on top of the normal level of enrollment applications submitted for this and other Medicaid programs. The result will likely mean potentially thousands of eligible individuals not receiving coverage through no fault of their own but simply due to delays and backlogs.

Additionally, we are concerned that DSS has unnecessarily confused and frightened enrollees by prematurely sending out a letter early in June informing them that they will have to resubmit their application and provide new supporting materials when the waiver hasn't even been granted yet.

As stated before, the federal government will be fully funding the program beginning in 2014. Is forcing young adults to choose between losing their health insurance or having a place to live and discouraging new applicants and creating more work for the already over-burdened DSS staff worth this effort? Is it worth it in light of the fact that there is no guarantee the state will really save \$52 million in the budget, or even half of that amount?

We must apply equally what we know about cancer prevention, early detection and treatment to ensure that all people—especially those in communities that suffer a

disproportionate burden of cancer—benefit from major cancer breakthroughs. One step to that end is to **increase** the number of individuals with meaningful health insurance coverage and affordable access to the full range of high quality cancer-related services, prevention through end of life.

Please reject this 1115 waiver request and instead lets work together to ensure no one will lose coverage and be forced to choose between help and home.

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