

Testimony of

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*Regarding the Human Services Provisions
of Governor Malloy's Budget Proposal*
Appropriations Committee

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Good evening and thank you for the opportunity to testify about the Human Services provisions of Governor Malloy's budget proposal.

Optimus Health Care is a federally-qualified health center (FQHC) located in Fairfield County, with multiple sites in Bridgeport and Stamford. We provide medical, behavioral health and dental care to about 47,000 Connecticut residents every year, including 18% of Bridgeport residents and 11% of Stamford residents. As an FQHC, we turn no one away, regardless of insurance status; in 2013, 56% of our patients were on HUSKY and over 25% of our patients had no insurance. Even with the implementation of the Affordable Care Act, and significant enrollment into HUSKY and Access Health CT on-site at Optimus, almost one-quarter of our patients in 2014 were still uninsured.

I offer comments on the following:

Reallocation of FQHC Funding from DPH to DSS: As this Committee may know, FQHCs historically have received funding from the Department of Public Health (DPH) to help fill in the gaps left by patients who have no insurance and underpayment by HUSKY. These grants, in combination with federal grants given to all FQHCs nationally, help keep FQHCs afloat and able to provide needed medical and social services. The governor's budget recommends eliminating the \$4.4 million DPH pool and instead allocating the same amount of aggregate funding to FQHCs through the state Medicaid program.

This proposal has merit in that it allows Connecticut to both save state money and bring in additional federal funding, without reducing the pot of needed funds to FQHCs. However, I ask the Committee to specify that the new Medicaid funding is to be built into the FQHC Medicaid rates, instead of being distributed as supplemental funds. If the funding is not built into the rates, the pool could be targeted for elimination next year. The loss of those funds would be devastating to FQHCs.

Additionally, I ask you to ensure all FQHCs are held harmless in this transition. The methodology the Department of Social Services (DSS) uses in determining distribution will be critical to ensuring that FQHCs are able to continue to provide comprehensive services in their communities. For example, Optimus (after a rescission) will receive \$564,000 from this grant in FY '15. If DSS's distribution formula reduces Optimus's portion, it will be very challenging, if not impossible, to make up the loss. There is simply no other source of revenue to turn to. A loss of even \$50,000 will impact our ability to provide needed services and will likely lead to layoffs. Our association, the Community Health Center Association of CT, is willing to work with this Committee and DSS to help ensure the funds are distributed fairly and without harm.

Reduction in Income Limits for HUSKY A Parents and Pregnant Women: The governor's budget proposes reducing HUSKY income limits for parents and pregnant women to 138% of federal poverty level. The 35,000+ individuals who lose HUSKY eligibility under this proposal would instead be channeled into qualified health plans sold on Access Health CT: plans which have monthly premiums, deductibles before coverage kicks in (except for preventive care), copayments for services, and no dental coverage at all.

As you know, HUSKY HEALTH offers enrollees medical, dental and behavioral health care, prescription drugs, specialty services and more, with no copayments. The concern with eliminating coverage for this population is that many of these low-income individuals would never purchase a plan through Access Health; others would purchase a plan, but not be able to keep up with the monthly premiums; or they may simply delay seeking treatment to avoid copayments.

Even if individuals chose not to purchase a plan through Access Health CT and became uninsured, they would continue to be able to access care at FQHCs. FQHCs, which already have fragile bottom lines, will be challenged by this new influx of uninsured patients. Instead of their visits being reimbursed by HUSKY, they will instead pay a fraction of the cost of the visit through the sliding fee scale program offered at Optimus and other FQHCs.

The reduction for pregnant women could lead to additional problems, as these women may not seek proper prenatal care. Combined with the proposed elimination of Healthy Start, this cut could jeopardize both the woman and her child, who, notably, will likely be a HUSKY enrollee upon birth.

Connecticut has been a national leader in health care and I urge this Committee to reject this cut.

Thank you for your consideration.