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Connecticut State Medical Society Testimony
House Bill 6824 An Act Concerning The State Budget For The Biennium Ending June
Thirtieth 2017, And Making Appropriations Therefor And
Other Provisions Related to Revenue
Appropriations Committee
February 27, 2015

Senator Bye, Representative Walker and members of the Appropriations Committee, on behalf of the physicians and physicians in training of the Connecticut State Medical Society (CSMS) thank you for the opportunity to provide this testimony to you today on **House Bill 6824 An Act Concerning The State Budget For The Biennium Ending June Thirtieth 2017, And Making Appropriations Therefor And Other Provisions Related to Revenue.**

CSMS joins with many other organizations with whom we have closely worked to build and protect our state's safety net in raising concern over a \$90 million reduction in Medicaid provider rates over the next two years. Even spread over multiple services and across multiple provider types, \$90 million is a significant reduction that will have a severe impact on the ability of many to continue to provide services to our most vulnerable population. Depending on the discretion used by the Department of Social Services (DSS), this reduction could lead to situations in which those currently providing services are unable to remain a part of the safety net and cease participation in the program.

A significant portion of services provided within the Medicaid program are for primary care services. Primary care is the foundation of all healthcare services, and as we all know, appropriate access and provision of primary care services is critical and leads to long term cost savings. Understanding the importance of such services, the Accountable Care Act (ACA) contained a provision -to provide financial resources to states to ensure that state Medicaid rates for primary care services were reimbursed at Medicare levels during the period of January 1, 2013 through December 31, 2014. This significant increase in reimbursement levels for primary care services led to an increase in the number of providers participating in the Medicaid program, as well as in the volume of primary care services provided. Although Federal funding elapsed on December 31, 2014, this General Assembly understood the importance of primary care and approved an extension of funding for primary care rates at the Medicare level during last year's budget adjustment.

Unfortunately, the lapse of Federal funding has left states in an untenable position regarding the decision to continue funding for primary care rates. That said, we fully appreciate the Malloy Administration's understanding of the importance of primary care and its intent that "to help with access to primary care services, rates for primary care are not *expected* to be reduced." To ensure that primary care rates continue to be funded at Medicare levels, we ask the Committee to expressly include language prohibiting the inclusion of primary care rates in budget reductions.

The proposed budget also projects savings of over \$120 million by reducing Federal Poverty Limits (FPL) for those who qualify for HUSKY programs, and moving tens of thousands of citizens into commercial plans offered through the state's health insurance exchange, Access Health CT. CSMS is concerned that transitioning a significant number of patients from the Medicaid program to private health plans through Access Health CT could have long-term costs, as well as long-term health implications. Many current HUSKY participants lack the resources to meet the high cost of co-payments, deductibles and out-of-pocket expenses that exist in exchange plans, even if the premium itself is affordable. We fear that many who cannot afford needed services will forgo them, leading not only to high systemic costs in the long term, but also serious decreases in health and well-being. Additionally, as we struggle to increase the number of providers participating in the Medicaid program, we find many exchange plan networks are inadequate and do not provide appropriate access to care. We must be clear: insurance coverage by itself does not guarantee access to care.

The proposed budget also seeks a \$25 million savings by eliminating funding for the "Federal Demonstration" to integrate care for the dually eligible (Medicaid and Medicare). We believe this funding should be restored. CSMS has collaborated closely for several years with many others to meet the requirements of the federal demonstration. After countless hours of work and comprehensive development of a plan, implementation was imminent. In the Office of Policy and Management (OPM) budget summary, it states that "the proposal could generate long-term savings by promoting practice transformation, facilitating person-centered team-based care and creating payment structure that aligns financial incentives to promote value." We agree. Nearly half of Medicaid costs cover the care for only about 13% of these dual-eligible beneficiaries. The long-term benefit of coordinating care for our dually eligible population must outweigh the short-term savings of eliminating a federal demonstration project.

Finally, we respectfully ask that the Committee restore funding for the Connecticut Area Health Education Center (AHEC) Network, including its four regional centers which provide continuing medical education for the state's physicians and other providers to improve care for these vulnerable patient populations. AHEC is a critical part of the state's infrastructure to diversify our health care workforce, and to improve care and outcome for our most vulnerable citizens. CSMS understands the value of AHEC and has worked with them to educate thousands of physicians and other health care providers on important issues of health equity and disparities.

We respectfully request that you fully restore the \$456K AHEC line item in the 2015-16, 2016-17 State budgets.

CSMS understands the difficulty and challenges facing this committee, the General Assembly and the Administration to develop and implement a balanced budget in these trying times that does not harm our citizens. We have worked hard with the state to increase the number of physicians participating in the Medicaid program and to increase access to care. We've partnered with many organization raising similar concerns today and echo concerns that cuts to Medicaid rates and related programs as delineated here could diminish access to care, jeopardize the delivery system and lead to increased costs for delivering care to our most vulnerable population.