

NEW HAVEN LEGAL ASSISTANCE ASSOCIATION, INC.

426 STATE STREET
NEW HAVEN, CONNECTICUT 06510-2018
TELEPHONE: (203) 946-4811
FAX (203) 498-9271

February 26, 2015

**Testimony of Sheldon Toubman Regarding HB 6846, the Bill Implementing the Governor's
Proposed Cuts to the Department of Social Services**

Senator Moore, Rep. Abercrombie and members of the Human Services Committee:

My name is Sheldon Toubman and I am a staff attorney with New Haven Legal Assistance Association. I am today testifying regarding several of the very troubling provisions in the Governor's cuts bill, HB 6846, which would implement extensive cuts to the Department of Social Services and its programs, further unraveling the safety net which the legislature has worked so hard to construct and protect. I list many of the worst provisions of the bill at the very end of this testimony, but first I think it is important to note what a disaster DSS **already** is, undermining the social safety net, without even contemplating these proposed further cuts.

The problems with the agency affect nearly every aspect of its eligibility processing and customer service. Here are just some of the problems:

- Being cut off of medical or food benefits (Medicaid or SNAP) despite timely submitting redetermination forms showing they are still eligible
- Trying to reach the DSS call center and waiting for over an hour or even two hours before they can reach a human (or having to discontinue the call because they ran out of time or out of cell phone minutes)
- Applying for Medicaid (HUSKY A or D) through Access Health CT and getting a notice saying they are on Medicaid immediately, but not being able to actually get health services because providers, including pharmacies, say their computers show they are not eligible for Medicaid
- Applying for Medicaid through Access Health CT and being told they applied through the wrong place and should apply all over again through DSS on a different form
- Going to a DSS regional office to apply for medical, food or cash benefits (Medicaid, SNAP or TFA) and being turned away from applying that day—told to come back another day or call the call center because they got there too late in the day- which could be as early as 9:30 AM
- Requesting a DSS hearing because of a denial or termination of benefits, and waiting months for a hearing date and even longer to get a hearing decision

At bottom, many of these problems can be remedied, either substantially or entirely, by additional staff. The level of staffing is wholly insufficient to meet the current need, given how grossly understaffed the agency was when the Malloy Administration took over in 2011, how dramatically the caseloads have increased particularly for Medicaid and SNAP, and how few staff have been added by the administration. Despite this, the Governor's budget actually proposes **closing** a DSS office (Torrington) and **reducing** staff, which will only make matters even worse.

With the context of this extensive level of dysfunction, undermining the safety net, in mind, I turn to proposed cuts to the DSS budget which are incorporated into the Governor's cuts bill. Although many of the cuts are listed at the end of my testimony, I particularly would like to call your attention to two of them:

Section 3, in addition to cutting HUSKY A parents, who would then likely go uninsured, attempts to codify a current illegal practice in violation of federal law, the so-called No Wrong Door Provisions of the Affordable Care Act. Under the last sentence of this section, if someone applying for Medicaid through the DSS/Access Health shared computerized eligibility system run through Access Health might qualify only for HUSKY C (Medicaid for aged, blind and disabled), DSS, acting through Access Health, would be authorized to **reject** their application and require them to apply all over again through DSS. This violates federal law, because, under the ACA regulations, a Medicaid application of any kind must be seamlessly processed either by Access Health or DSS, without requiring them to apply all over again. And the reason for this federal regulation is the recognition that many of these people, understandably confused, would otherwise think they are not eligible for any kind of Medicaid and will just not submit the second application to get benefits they are entitled to.

In fact, DSS is already violating federal law by failing to automatically submit those HUSKY C applications submitted through Access Health to its own workers for processing. Advocates are trying to get this access problem fixed. What they clearly do not need is a state statute purporting to authorize such an illegal process. But the fact that the administration would attempt to codify such an illegal access barrier is particularly troubling in light of the severe administrative access and processing problems **already** confronting elderly and disabled individuals trying to access DSS benefits.

Section 22 would require dually eligible (Medicare/Medicaid) enrollees to shoulder the full cost of Medicare Part D drug copays by themselves. Currently, dual eligibles are responsible for paying up to \$15 per month in Medicare co-pays for Part D-covered drugs; after that, DSS pays all copays for the month. But under this proposal, they will be responsible for covering the full costs of all of their Medicare co-pays, some of which are now \$6.60 per drug. This change will easily make drugs unaffordable for these low income individuals on multiple medications. Since it is only projected to save \$80,000 and \$90,000, but will presumably cost a lot more in increased ER and hospitalization usage when people go without prescribed medications because they can't afford their copays, this change will actually likely end up **costing** the taxpayers a lot of money, while needlessly inflicting harm. There is no reason to take away the protection for duals that they have for copays exceeding \$15 per month, for essentially no savings.

Of course, in reviewing these cuts and the other cuts to the DSS safety net in HB 6846 identified below, some of you are likely thinking that, while these cuts certainly are bad, what else can we do if there is this huge deficit and we have to balance the budget? The answer is that the Governor and the legislature have to primarily look at the revenue side, **not** the unconscionable shredding of the safety net, and the revenue side has to include increasing taxes a little on those in our state most able to afford to pay them. I urge members of this Committee to champion within the legislature a different approach than the one being pursued by the

Governor, and that is to follow the principles of the Better Choices Coalition, which are set forth below.

Thank you for the opportunity to speak with you today.

Better Budget Choices Exist For Connecticut

“Better budget choices exist for Connecticut. While the Governor’s budget does introduce some revenue side corrections, it seeks to balance Connecticut’s budget primarily through reliance on cuts that will cost jobs, slow economic growth, and devastate the vital public services we all care about. We can do better by incorporating revenue options that (1) invest in our economy, (2) eliminate unfair tax breaks that are either outdated or indefensible, and (3) ask more of those with the highest ability to pay.

“The alternative to identifying new revenue sources are cuts that hurt those we care about: children and families who need essential services, people with disabilities and the elderly who need caring services, schools that need good teachers, and communities that need public safety.

“There are better choices. We urge the General Assembly to protect the vital public structures and services upon which our economy and our communities depend. We urge the General Assembly to demand accountability for tax expenditures just like program expenditures. We urge the General Assembly to ask more from those who can and should pay their fair share.

“Better Choices for Connecticut is a statewide coalition working to help lawmakers make smarter decisions about the state’s imbalanced revenue system. Members include nonprofit providers, public service workers, and community and advocacy organizations.”

Some of the other harmful proposed changes in the Governor’s DSS Cuts Bill, HB 6846

Section 3:

- **Eliminates HUSKY A eligibility for adults (parents and caretaker relatives) with incomes above 138% of the FPL**, on the theory they can instead buy insurance on the exchange. In fact, for this income group and these size families, insurance on the exchange will generally be unaffordable, so they either will drop coverage entirely or avoid receiving certain needed treatments with high copays.

Section 5:

- **Eliminates coverage of Medicaid for pregnant women above 138% of the poverty level** (current law is eligibility to 250%), on the assumption they too can go to the

exchange for insurance coverage. Since many will then go uninsured, this means that many will then skip their prenatal visits, which is counter-productive in the campaign to decrease low birth weight babies.

Sections 7 and 8:

- **Eliminates unsubsidized coverage under HUSKY B Band 3 for children in families with incomes over 318% of the FPL. This will not save any money.**

Section 9:

- **Takes away the cost of living adjustment for TFA for two years, even though the TFA payment levels are already woefully inadequate.**

Section 10:

- **Takes away the cost of living adjustment (COLA) to the unearned income disregard for State Supplement (aid to the aged, blind and disabled) enrollees, such that the COLA which these low income individuals are supposed to receive in their Social Security checks will effectively not be received by these enrollees for two years.**

Section 18:

- **Ends intake for the state-funded Connecticut Home Care Program for Elders to the extent a new applicant would have to require a nursing home level of care, versus just being at risk of institutionalization.**
- **Increases cost-sharing requirements under the state-funded CHCPE program from 7% to 15%**

Section 19:

- **Reduces the burial allowance for SAGA recipients from \$1800 to \$1000. The governor's budget summary says this will save \$1.7 million but that would mean that DSS is now paying for over 2100 funerals per year for SAGA enrollees, which does not correspond to the small number of SAGA enrollees.**

Sections 20 and 21.

- **Reduces the Personal Needs Allowance for Residents of Long-Term Care Facilities – to \$50 from \$60 per month, which is already a very low figure that deprives these individuals of basic dignity.**