

Legal Assistance Resource Center

❖ of Connecticut, Inc. ❖

363 Main St., Floor 3-1 ❖ Hartford, CT 06106-1886
(860) 278-5688 ❖ www.larcc.org

Testimony before the Appropriations Committee on the budget of the Department of Social Services

by Jane McNichol, Executive Director
February 27, 2015

Good evening. I am Jane McNichol, Executive Director of the Legal Assistance Resource Center of Connecticut, the policy advocacy branch of the legal services network in the state. We represent the interests of very-low income residents of the state.

I am here to express opposition to many of the cuts to human services in the Governor's proposed budget for the Department of Social Services.

The budget in general relies far too heavily on cuts to human services programs and to the agencies and programs which provide assistance to state residents in need of basic assistance.

One reason why these cuts seem necessary is because the budget on the revenue side fails to tap into the financial resources that are in the state. We urge you, and will be urging other members of the General Assembly, to look to revenues so that this budget can address the needs of state residents. I have attached a statement by Better Choices for Connecticut that addresses this issue.

Of particular concern in the Department of Social Services budget:

- **Elimination of HUSKY coverage for parents and pregnant women with incomes between 138% and 200% of the Federal Poverty Level.** This will cut 34,000 parents, usually working parents, and pregnant women, from HUSKY coverage. It is also likely that children who remain eligible for HUSKY will lose coverage when their parents do. This has been the unintended effect of cutting parent coverage in other states. The assumption is that these working parents and pregnant women will be able to buy insurance through Access Health CT.

The costs of insurance through Access Health CT are high. For people at this income level - \$28,000 to \$40,000 for a family of three – the costs are likely to be unaffordable. Sec. Barnes of OPM has indicated that the maximum costs will be no more than 8-10% of income. That is a very high new expense for struggling working families. The plans involve co-pays of \$20 for a primary care visit, \$35 for a specialist visit and \$5 - \$35 for prescription drugs.

Unlike two years ago, we now have some real experience with what happens when people at this income level are asked to buy insurance on an Exchange. In Connecticut, it was estimated that there were about 75,000 individuals (not parents) with incomes between 138% and 200% of the federal poverty level who were not eligible for Medicaid but were eligible to buy

insurance on the Exchange. Of those 75,000 individuals, information from Access Health CT indicates that in 2014, only about 18,000 people bought insurance through the Exchange.

In Rhode Island, which dropped its income eligibility level for parents to 138% FPL when the Rhode Island Exchange plans became available, those who lost Medicaid coverage did not flock to the Exchange.

- About 50% were found to be eligible for Medicaid under a different coverage group.
- Only 11 % paid for a plan on the Exchange. (Another 10% enrolled in a Qualified Health Plan but then did not pay.)

- **Staffing reductions and Torrington office closing.** I expect that you all know from your constituents that customer service at DSS is already abysmal.

- People calling the Benefit Centers have to wait an average of an hour to reach someone who can help them.
- Two-thirds of callers abandon their phone calls before they reach someone.
- Those who decide to forego the phone system face long lines and wait times at regional offices.
- Documents that used to be lost in mounds of paper are now too often lost in electronic space when they are not associated with the appropriate client file.

This is not the time to be cutting staff and access points. It is the time to be improving access.

- **Unspecified reductions to Medicaid provider rates.** We have a good Medicaid program in Connecticut on paper. But providing good health care services requires a strong provider network. It is impossible to comment in an informed manner on this proposal, and I would think impossible for you to evaluate this proposal, without details about what providers will be affected and what the magnitude of the reductions are. But reducing provider rates by over \$100 million would have to affect already limited and, in some cases inadequate, networks.

- **Eliminating Cost of Living Adjustments for cash assistance programs.** Once again, there is a proposal to eliminate the COLAs for our basic cash assistance programs. Over the past year, I was part of a DSS Work Group which explored ways to modernize our 20-year old family welfare system.

Instead of addressing the exciting possibilities that were explored by the DSS Work Group, this budget eliminates the scheduled small increase in an already small grant for families in need. When talking about increases in the TFA grant, it is always important to keep in mind that the maximum monthly grant for a family of three in most of the state is \$597 a month.

Thank you for your attention to these important issues.



FOR IMMEDIATE RELEASE:
February 18, 2015

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.

###