

Testimony in Support of

S.B. No. 851: An Act Concerning the Eligibility of Children Enrolled in the HUSKY Plan
Human Services Committee

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February 10, 2015

Senator Moore, Representative Abercrombie, and distinguished members of the Human Services Committee:

I am a Policy Analyst testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

Connecticut Voices for Children supports S.B. 851, which would stabilize health insurance coverage for children in the HUSKY program by restoring "continuous eligibility." We also urge the Committee, when analyzing the cost of the proposed bill, to consider any administrative cost savings that will likely be generated through avoiding frequent unnecessary eligibility redeterminations for children who leave and reenter the program.

"Continuous eligibility" is a policy that grants children the balance of 12 months of HUSKY Program coverage even if family circumstance changes would have otherwise made them ineligible. This policy helps to stabilize coverage to ensure access to needed care.

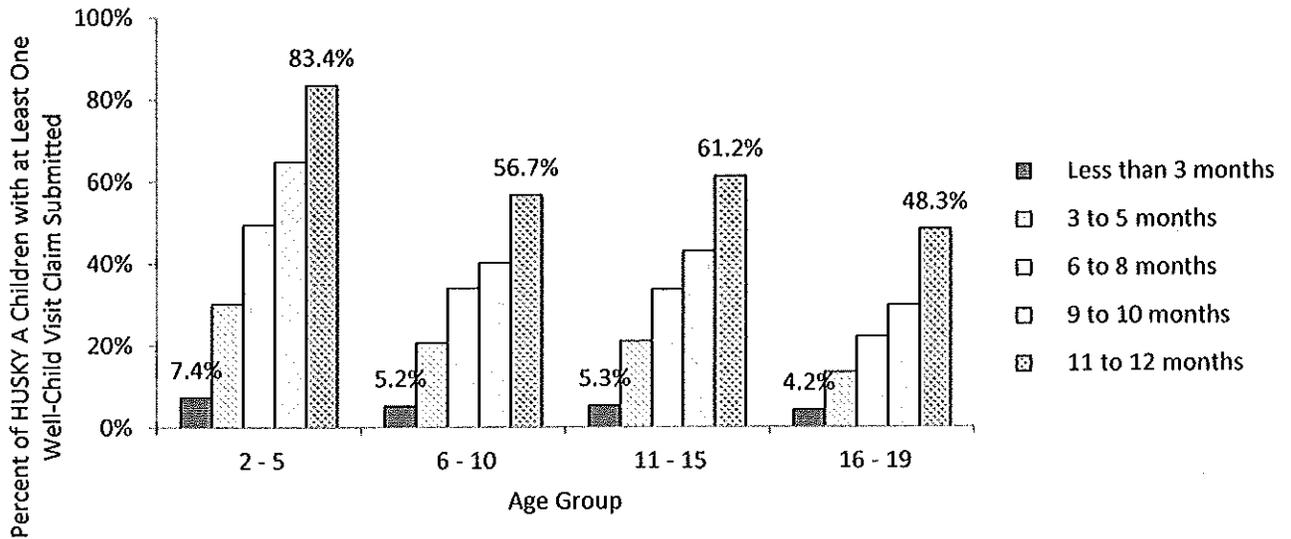
Over the years, Connecticut has adopted many of the recommended strategies to improve coverage in HUSKY, including annual renewal, presumptive eligibility for children, elimination of an asset test, and alignment of income counting rules for HUSKY A and B. However, one key missing strategy is 12 months of continuous eligibility.

Currently, between annual renewal periods, families are required to report changes in income, household size, and other factors that may affect eligibility. Despite efforts to simplify the process, children's coverage is in jeopardy whenever families must renew coverage or submit to eligibility redeterminations due to changes in family circumstances. Many eligible people experience "churning" – that is, going on and off of coverage – from HUSKY A and B in Connecticut during the course of a year and at renewal. **In fact, in 2013, more than 1 out of every 8 children enrolled in either HUSKY A or B experienced a loss or gap in coverage during the calendar year.**¹ Children at greatest risk for losing coverage are also among the most vulnerable – more than 1 out of every 5 babies loses coverage when eligibility is reviewed at age one. National data show that many, possibly the majority, of children who leave Medicaid coverage do not have any other coverage and immediately enter the ranks of the uninsured.²

Maintaining health insurance coverage is key to children accessing timely and appropriate health care. Churning in the HUSKY program has human costs. Research shows that continuity of coverage is crucial for ensuring better quality of care, especially for those in need of treatment for acute and chronic illnesses.³ In fact, preliminary analyses of data from the HUSKY program show that children of all ages are far more likely to have their medically recommended annual well-child visit if they remain enrolled in HUSKY for all 12 months of the year. In 2012, a child who was

enrolled for 11 to 12 months was more than 10 times more likely to have a well-child visit claim submitted to HUSKY A than a child who was enrolled for 3 months or less.

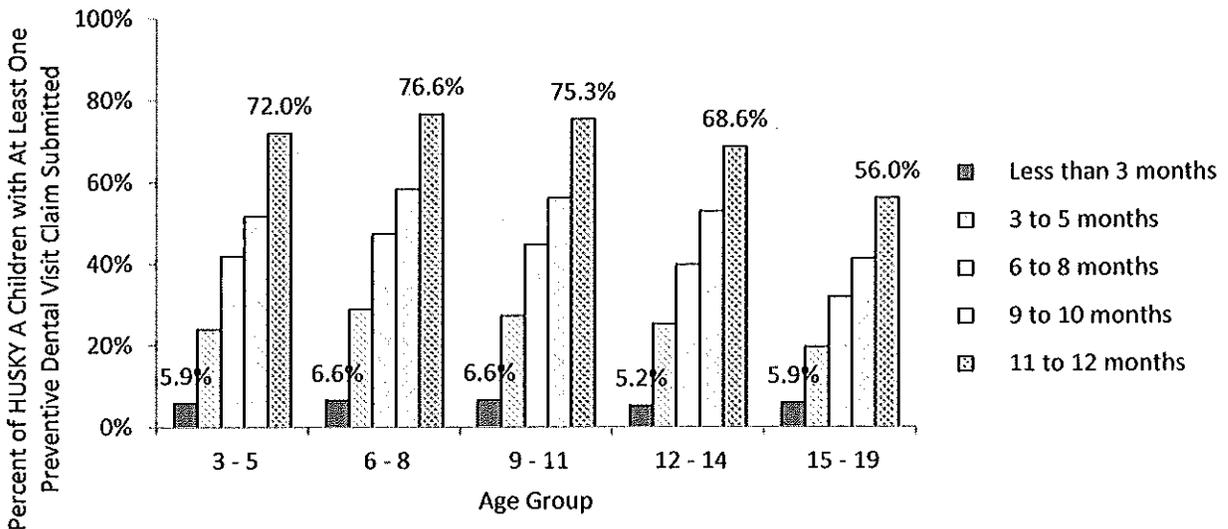
Figure 1: Children's Well-Child Care Utilization by Months Enrolled, 2012



Source: Connecticut Voices for Children's preliminary analysis of data from the Department of Social Services.

A nearly identical effect was seen for preventive dental care: longer periods of enrollment corresponded to dramatically higher rates of preventive dental utilization.

Figure 2: Children's Preventive Dental Care Utilization by Months Enrolled, 2012



Source: Connecticut Voices for Children's preliminary analysis of data from the Department of Social Services.⁴

Continuous eligibility has demonstrated success at stabilizing children’s enrollment in public health insurance programs. “Continuous eligibility” is a state option under federal Medicaid and CHIP law that stabilizes enrollment by providing 12 months of coverage regardless of changes in family circumstances – typically income or family size. Thirty-one states – more than 2/3 of the nation – have already implemented continuous eligibility for children in Medicaid or CHIP.⁵ Research from these states shows that continuous eligibility for children stabilizes enrollment and on average keeps children enrolled longer.⁶ In fact, Connecticut has already experienced the benefits of continuous eligibility for children when the policy was in effect in the HUSKY program between 1999 and 2003.⁷ Connecticut’s children also experienced the costs of eliminating it – when continuous eligibility was eliminated 7,000 children lost coverage.⁸

The federal Centers for Medicare and Medicaid Services recommended that states provide continuous eligibility for children. They have also recommended states consider continuous eligibility for parents *and* other adults.⁹ The Connecticut legislature’s Program Review and Investigations Committee (PRI) staff also issued a report at the end of last January recommending to the Committee that they propose restoration of continuous eligibility for children, and require that the State Department of Social Services apply for a waiver to implement continuous eligibility for adults in Medicaid as well.¹⁰ Finally, Connecticut’s Department of Social Services (DSS), testified in support of the concept underlying similar legislation just last year.¹¹

Continuous eligibility can also ease the burden on DSS staff and reduce administrative costs. Added costs to the State are incurred when individuals lose coverage and need to reapply during the year.¹² Data from Massachusetts show that administrative costs for re-enrolling an eligible individual are over \$200 in CPI-adjusted dollars – not an insignificant cost.¹³ In addition, research has shown that individuals who return to the program after a gap in coverage are more likely to incur *increased* medical costs.¹⁴ One analysis found that on average an adult has a monthly medical expenditure of \$469 for a six-month enrollment period versus \$333 per month when twelve months of eligibility was in effect.¹⁵ **These data suggest that patients with uninterrupted health coverage for twelve months cost less on average per month than those with fewer months of continuous coverage.** Having gone without insurance, individuals have unmet health needs when they return to the program after a gap in coverage. **For this reason, we urge the Committee to request that DSS provide an estimate of what it costs to re-enroll an individual in the HUSKY program.** In the past, when this body has considered whether to reinstate continuous eligibility, the Office of Fiscal Analysis calculated a cost estimated based on utilization of health care services alone and provided no offset for additional administrative costs.¹⁶

For all these reasons, we urge the committee to support S.B. 851, which would increase children’s access to medically recommended care by restoring 12 months of continuous eligibility for children in the HUSKY Program.

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¹ See, Mary Alice Lee, "Gaps or Loss of Coverage for Children in the HUSKY Program: An Update," *Connecticut Voices for Children*. Forthcoming, data available upon request.

² See, Benjamin D. Sommers, "Why Millions of Children Eligible for Medicaid and SCHIP are Uninsured: Poor Retention vs. Poor Take-Up." *Health Affairs*, 26, no.5 (2007):w560-w567. Available at <http://content.healthaffairs.org/content/26/5/w560.full.html?related-urls=yes&legid=healthaff.26/5/w560>. See also, Pamela Farley Short et al., "Churn, Churn, Churn: How Instability of Health Insurance Shapes America's Uninsured Problem." *The Commonwealth Fund Task Force on the Future of Health Insurance*. November 2003. Available at <http://www.allhealth.org/briefingmaterials/688Shortchurnchurnchurnhowinstabilityofhltinsuranceissuebrief-320.pdf>.

³ Seifert R, Kirk G, Oakes M. Enrollment and disenrollment in MassHealth and Commonwealth Care. Massachusetts Medicaid Policy Institute, April 2010. Available at:

http://www.massmedicaid.org/sites/default/files/download/publication/2010_4_21_disenrollment_mh_cc_0.pdf

⁴ Consistent with other Connecticut Voices for children reports, age groups for well-child care are 2-5, 6-10, 11-15, and 16-19. These groupings reflect the fact that before age 2, the number of recommended medical visits per year exceeds one, so the percentage of children with at least one preventive visit is not an appropriate measure of service utilization. Age groups for dental care are 3-5, 6-8, 9-11, 12-14, 15-19. These groupings reflect that utilization rates for children under age 3 are very low.

⁵ Twenty three states have continuous eligibility for children in Medicaid and 26 in CHIP programs. See Tricia Brooks et al., "Modern Era Medicaid: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP as of January 2015." *The Henry J. Kaiser Family Foundation*. January 2015. Available at <http://kff.org/health-reform/report/modern-era-medicaid-findings-from-a-50-state-survey-of-eligibility-enrollment-renewal-and-cost-sharing-policies-in-medicaid-and-chip-as-of-january-2015/>.

⁶ Ku L, Steinmetz E, Bruen BK. Continuous-eligibility policies stabilize Medicaid coverage for children and could be extended to adults with similar results. *Health Affairs* 2013, 9: 1576-1582.

⁷ Continuous eligibility was repealed by P.A. 03-02(Sec. 7). Available at <http://www.cga.ct.gov/2003/act/Pa/2003PA-00002-R00FB-06495-PA.htm>.

⁸ See, *Rabin v. Wilson-Coker*, 266 F. Supp. 2d 332 – Dist. Court, D. Connecticut 2003.

⁹Centers for Medicare and Medicaid Services. Facilitating Medicaid and CHIP enrollment and renewal in 2014 (SHO #13-003; ACA #26).Letter to State Health Officials and State Medicaid Directors, May 17, 2013. Implementing continuous eligibility for adults would require the state to submit an application to the federal government for an "1115 Medicaid Waiver".

¹⁰ Conklin, C, Duffy, M. Hospital Department Use and Its Impact on the State Medicaid Budget, January 31, 2014. The specific recommendation set forth at page 9 in the report states, "Statutorily adopt a 12-month continuous eligibility provision for children during the 2014 legislative session. Further, DSS shall immediately seek an amendment to its 1115 waiver from the Centers for Medicare and Medicaid Services to implement 12-month continuous eligibility for all adult Medicaid recipients."

¹¹ See, Commissioner Roderick L. Bremby, "Testimony Before the Human Services Committee." February 20th, 2014. Available at <http://www.cga.ct.gov/2014/HSdata/Tmy/2014HB-05137-R000220-Roderick%20L.%20Bremby,%20Commissioner%20-%20Connecticut%20%20Department%20of%20Social%20Services%20%28DSS%29%20-TMY.PDF>.

¹² Seifert R, Kirk G, Oakes M. Enrollment and disenrollment in MassHealth and Commonwealth Care. Massachusetts Medical Policy Institute, April 2010, Available at:

http://www.massmedicaid.org/sites/default/files/download/publication/2010_4_21_disenrollment_mh_cc_0.pdf

¹³ Seifert R, Kirk G, Oakes M., *Id.*

¹⁴ Seifert R, Kirk G, Oakes M., *Id.*

¹⁵ Ku L, Steinmetz E. The Continuity of Medicaid Coverage: An Update. Association for Community Affiliated Plans, April 2013.

¹⁶ See, OFA fiscal note for S.B. H.B. 5137, 2014, "An Act the Eligibility of Children in the HUSKY Program." Available at <http://www.cga.ct.gov/2014/FN/2014HB-05137-R000145-FN.htm>.