

## Testimony Opposing Reduced Appropriations for the Department of Social Services

H.B. 5044, An Act Making Adjustments to State Expenditures for the  
Fiscal Year Ending June 30, 2017

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Appropriations Committee

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Senator Bye, Representative Walker and members of the Appropriations Committee:

I am the Acting Executive Director and Advocacy Director at Connecticut Voices for Children, a research-based advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families.

We are cognizant of the difficult task before you given the ongoing fiscal challenges faced by the state and recently outlined by the Governor and the Secretary of the Office of Policy Management. We very much appreciate your efforts last year to maintain support for essential programs and services for children and families.

Many of the cuts fall heavily on children and families. Overall the Governor's budget proposal cuts investments in children and families below both their FY 2016 amount as well as below the amount appropriated for FY 2017 in the biennial budget produced last year. According to our recent analysis of the Governor's proposed budget for FY 2017, the cuts will impact the wellbeing of Connecticut's children, with an estimated reduction of \$198.7 million (3.3 percent of the "Children's Budget") compared to an overall decrease of 2.9 percent in the rest of General Fund spending.<sup>1</sup>

**We are here today to oppose cuts to the Department of Social Services budget.** In particular, we have concerns about cutting the following health services and programs:

- **Limiting orthodontia coverage for children in Medicaid (HUSKY A), estimated savings of \$3.2 million.** Just last year the Governor and legislature imposed new limitations on access to medically necessary orthodontia treatment to save money in the state budget. We urge the Committee to request a full report from the Department of Social Services on the impact of that recent change on children's oral health before consideration of imposing any further restrictions.<sup>2</sup> The budget assumes that requiring a higher score on the Salzmann Index for determining the extent of misaligned teeth will eliminate coverage for "non-medically necessary" orthodontia. However, under Medicaid law and rules, the state is supposed to use a broad standard of medical necessity in determining whether an individual child needs a particular service – including orthodontia.

- **Reducing funding for Federally Qualified Health Centers** (\$775,000 state share, for a total reduction of \$1.9 million with the loss of federal revenue) and eliminates an additional \$422,327 in the DPH line item. The health centers are a leading provider of health services for HUSKY members, raising the question of how such a sizeable cut will impact access to services for children and families in HUSKY.
- **Reducing funding to Connecticut Children’s Medical Center** by \$725,407. The Medical Center serves children state-wide and in the Hartford area with highly specialized health care needs, a very large percentage of whom are on HUSKY. Again, such a proposed cut raises the question of how this reduction will affect access to specialized health services for low-income children.
- **Eliminating \$700,000 for asthma programs that would otherwise have been funded out of the Tobacco and Health Trust Fund.** Instead the money will be included in the General Fund as “revenue”. Although this funding does not appear in the DSS budget, we want to point out that the cut eliminates support for the evidence-based “Easy Breathing Program”, which helps families manage their children’s asthma and reduce unnecessary medical expenses, with a special focus on low-income children and children on the HUSKY program.
- **Eliminating HUSKY Independent Performance Monitoring** (\$178,143), a small but important and longstanding effort to ensure that scarce public dollars spent on the HUSKY program are actually providing needed care to children and families. Contrary to the rationale provided by the budget narrative, the reporting done by Connecticut Voices for Children under this project complements and supplements the work of the state and its contracted administrative services organizations in the HUSKY program. The funding has been repeatedly cut in recent years through reductions and rescissions. It should be noted that fifty percent of the cost should be reimbursed by the federal government as the initiative is in support of administrative and program improvements.

Independent performance monitoring has been state-funded since 1995 and is conducted by Connecticut Voices for Children. This project provides information on enrollment patterns and *long-term trends* in the use of children’s health services, including well-child, dental, emergency, and asthma care.<sup>3</sup> This information is *not* reported by the Department’s administrative services organization (“ASO”) contractor. The project also provides data on maternal health and birth outcomes in the HUSKY Program, including low birth-weight, preterm births, prenatal care, births to teen mothers, and smoking among mothers. This research is based on linked birth-HUSKY enrollment data that is *not* available to the Department’s ASO contractor. Both Departments of Social Services and Public Health utilize the data and analyses conducted under the HUSKY performance monitoring project to improve administration of the program, and to draw down federal dollars to improve maternal and infant health.

In addition, many of the line items within each agency were consolidated into a fund called “Agency Operations,” which was then cut by 5.75 percent in most agencies.

Within the Department of Social Services budget, for example, almost twenty programs are consolidated into “Agency Operating Funds” and include the Connecticut Children’s Medical Center, Teen Pregnancy Prevention, Family Programs – Temporary Assistance for Needy Families (TANF), and Domestic Violence Shelters.

As we stated in our recent report on the impact of the budget on children and families, “This decision reduces transparency and accountability in the budget by masking the impact on individual line items. Under this change, an agency head could cut a program entirely without any legislative oversight, a worrisome precedent to set. While it may make sense to evaluate whether particular programs and services as currently configured are meeting the needs of state residents, without knowing how that assessment will take place, lawmakers and the public are shut-out of the process. As a result, we oppose the proposed consolidation of programs and services under Agency Operating Funds.”<sup>4</sup>

We also point out in our overall budget analysis report that the Governor’s proposal no longer contains a comparison to “current services”:

“Current services reflect the cost of providing the same level of services for each line item given routine changes such as inflation and caseload growth. In other words, a program could be expected to cost more each year to provide the same degree of services, and the current services estimate is meant to reflect that change. The Governor argues that using current services as a baseline for appropriations *overestimates* the cost of providing services by failing to account for efficiency savings and assuming unchecked spending growth; it may very well be the case that the cuts described [above] are an *underestimate* since they do not take into account annual changes like inflation. To illustrate, while the Governor recommends \$569.5 million in cuts from the budget that was enacted last year, this actually represents a cut of \$722.1 million from the current services budget.”<sup>5</sup>

Thank you for this opportunity to testify regarding the Governor’s Proposed Budget for the Department of Social Services.

Please feel free to contact me if you have questions or need additional information. I can be reached at [slanger@ctvoices.org](mailto:slanger@ctvoices.org) or (203) 498-4240 (x 121).

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<sup>1</sup> Defiesta, N. et al., *Impact of the Governor’s Proposed Budget FY 2017 on Children and Families*, (February 2016), Retrieved from <http://www.ctvoices.org/sites/default/files/bud16govbudgetanalysisfy17.pdf> .

<sup>2</sup> See, Connecticut Dental Health Partnership, “Guidelines for the Scoring of Orthodontic Cases,” September 2015, Retrieved from <https://www.ctdhp.com/documents/Guidelines%20for%20the%20Scoring%20of%20Orthodontic%20Cases.pdf> .

<sup>3</sup> See for example, Lee, MA, *Fewer Children Experience Gaps or Loss of Coverage in the HUSKY Program*, (January 2014) Retrieved from <http://www.ctvoices.org/sites/default/files/h14huskycoveragegaps20102012.pdf>; Lee, MA, and Feder, K, *Dental Services for Children and Parents and Parents in the HUSKY Program in 2012: Utilization Is Improved Over 2008 but Unchanged from 2011* (August 2014), Retrieved from <http://www.ctvoices.org/sites/default/files/h14dentalcare2012.pdf> ; Lee, MA, Feder, K, Learned, A, MAXIMUS, Inc., *Births to Mothers with HUSKY Program Coverage (Medicaid and CHIP): 2011* (June 2015), Retrieved from <http://www.ctvoices.org/sites/default/files/h15birthstomotherwithHUSKY2011.pdf> .

<sup>4</sup> Defiesta, N. et al, *supra*.

<sup>5</sup> *Id.*