

**Testimony of the National Alliance on Mental Illness (NAMI) Connecticut
Before the Human Services Committee
March 2, 2017**

**In Opposition to
Governor's H.B. 7040 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET
RECOMMENDATIONS FOR HUMAN SERVICES PROGRAMS**

Good afternoon Senators Moore and Markley, Representative Abercrombie and members of the Human Services Committee. My name is Daniela Giordano and I am the Public Policy Director with the National Alliance on Mental Illness (NAMI) Connecticut. NAMI Connecticut is the state affiliate of NAMI, the nation's largest grassroots mental health organization dedicated to building better lives for all those affected by mental health conditions. NAMI Connecticut offers support groups, educational programs, and advocacy for individuals' and families' quality of life in the community. I am here today on behalf of NAMI Connecticut to express strong opposition to *H.B. 7040 – An Act Implementing the Governor's Budget Recommendations for Human Services Programs*. For brevity's sake and because we know that FY2019 will very likely be adjusted again next year, I will be focusing on FY2018 only.

We continue to understand the fiscal challenges Connecticut continues to face and that hard decisions will need to be made by legislators and other policy makers. At the same time, I want to share our strong opposition and deep concern about the numerous and multi-layered proposed cuts to human and social services, particularly as they impact individuals who live with mental health and substance use conditions and who utilize and benefit from these services. Highlighted here are only a select number of proposed cuts and changes, and their likely impacts on our family members, friends, and neighbors:

- **HUSKY A Parents:** Reducing eligibility for health care for HUSKY A Parents to 138% of federal poverty level (FPL), from the current 150% FPL, would result in about an additional 9,500 parents losing Medicaid. The projected savings to the state are \$500,000. These parents will likely lose coverage altogether as they will not be able to afford health care coverage elsewhere, including the CT health insurance exchange. When the State lowered the eligibility level last time (two years ago), fewer than one in five parents got and kept insurance through the insurance exchange. Many of these parents never bought insurance or dropped it, because they couldn't afford it and these parents were in a slightly higher income level than the ones being proposed to be cut off now. Also, parents would encounter additional expenses for services that either aren't covered in the exchange plans such as dental services and access to non-emergency transportation to medical appointments, or are covered on a more limited basis such as mental health services. Moreover, many if not most of these parents are also very unlikely to be offered, or be able to afford, employer coverage – due to the cost of insurance (including the cumulative effects of premiums, deductibles co-pays etc.). For example a family of three with an annual income of below \$28,000 would not be able to benefit from comprehensive health care coverage through Medicaid anymore.

This is all happening in an environment of uncertainty, generated by potential federal proposals – and against a historical backdrop of Connecticut being a place where we have been and still are leaders in pursuing efforts to keeping our residents healthy, starting with increasing health care coverage across the board. We were the first state to expand Medicaid coverage for low income adults, enabling people to have access to prevention and early intervention care – for some people for the first time in their lives. And now, we are taking a step backwards by cutting off HUSKY A Parents, putting them back in a mode of only being able to access crisis health care through emergency rooms and other higher-cost care – which is more expensive for them *and* for the state. For example, people without insurance are more likely to be hospitalized for avoidable health problems, and experience an overall decline in their health. Another unintended consequence is the potential loss of health care coverage for children of parents who lose coverage, even though their children may continue to be eligible for coverage. Studies have shown that many children lose coverage due to the confusion these rule changes cause.

Related fiscal and economic outcomes of being uninsured and unable to access care at the right time include decreased productivity in the workplace, and the potential danger of incurring medical debt. When people without insurance do seek care, they often face unaffordable medical bills, which can rather quickly translate into medical debt with its own dire consequences, for both the individual, their family and society as a whole.

- **Adult dental services:** Limiting adults' dental benefits by capping them at \$1000 per year, will likely result in reduced access to important dental care. For example, it could leave people without dentures in the year their teeth are extracted, would likely increase ER use (plus, potential accompanying pain relief with opioids, if someone needs to come back for emergency services a few times) and other related costs. Partial care every year would lead to increased costs as diseases are allowed to progress and are able to compromise people's health – dental and otherwise, as unaddressed dental issues can and do lead to other health issues, including physical and mental health concerns. Even though there is language about possible exceptions to this cap, the way it is written it would likely still lead to reduced access to dental services. Applying the administratively burdensome prior authorization process to services that have been established as 'medically necessary' to be able to go beyond the one thousand dollar cap is not conducive to daily practice, and thus will be a barrier to access to needed services.
- **Counting federal Social Security COLA (Cost of Living Adjustment) against state benefits:** Reducing the already very limited income of people with disabilities by deducting any federal disability increase, will likely have an impact on people's lives – people who already have to be frugal to be able to make basic ends meet each month. Currently, an increase in federal benefits is not counted as income at the state level. This would change that practice and reduce state benefits to people who receive Aid to the Aged, Blind and Disabled (AABD) for projected savings of \$1.2 million.

- **Co-pay increases for Medicaid and Medicare (dually) eligible individuals:** A cut of \$80,000 will result in these high-need and low-income individuals to have to pay *all* Medicare Part D copays for their prescriptions. And even though a copay of between \$1.20 and \$8.25 per prescription may not sound like a lot, this can and does add up for people, many of whom have multiple prescriptions each month and live on very limited incomes.
- **EITC:** Reducing the state Earned Income Tax Credit (EITC) from 27.5% of the federal EITC to 25% of the federal EITC, represents a cut of \$25 million. EITC supports low-income families, encourages work, and stimulates the economy by putting money in the hands of people who will spend it. Cuts to this benefit will slow families' ability to work their way out of poverty and leave less money that is spent rather immediately for basic needs in our local economy.
- **Decreased eligibility for Medicare Savings Programs (MSP):** Fewer people would be eligible for this program, which helps Medicare recipients pay the cost of their Medicare premiums and other cost-sharing requirements. MSP may cover Medicare Part B and Part D premiums plus some or all cost-sharing (copays, deductibles) under Parts A, B and D.

Any one of these cuts and policy changes would have negative impacts on individuals and families who benefit from these services and supports. But it is the cuts and reductions and *their intersection with one another which compound their negative impact* – cuts that are proposed in the same state agency budget as well as *across budgets*. An example are HUSKY A Parents, who are not only facing losing their health care coverage, but also a part of their state Earned Income Tax Credit (EITC), and child care supports through cuts to Care4Kids program. Can we imagine what that would be like for a family who is trying to make ends meet and work their way toward a better future?

We urge you to protect the health and wellbeing of our CT residents by supporting essential and core services and supports, and to focus on investments in the preventative and early intervention in health care and social services, instead of driving people to higher-cost and crisis care.

Thank you for your time and attention. Please let me know if you have any questions.

Respectfully,

Daniela Giordano, MSW

Public Policy Director, NAMI Connecticut