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Testimony of Sheldon Toubman before the Finance, Revenue and Bonding Committee in Support of SB 821 and HB 6187

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Senator Fonfara, Representative Scanlon, Senator Martin, Representative Cheeseman and Members of the Finance, Revenue and Bonding Committee-

My name is Sheldon Toubman and I am an attorney in the benefits and elder law units of New Haven Legal Assistance Association. I am submitting this testimony in support of **SB 821** and **HB 6187**, which are essential to provide the funding to preserve and expand essential benefit programs for CT's lowest income residents.

Connecticut already had one of the sharpest disparities in income and wealth in the country, even before the COVID crisis struck. But the pandemic really highlighted, and exacerbated, those disparities, including particularly the disproportionate impact on Black and brown residents. Despite these harsh realities, the Governor's proposed austerity budget, premised on the assumption that any additional taxes on the wealthy must be avoided, includes many harsh cuts, as necessary to balance the budget.

Among other cuts, his proposed budget would:

- **Impose a burdensome asset test on all applicants for and enrollees in the Medicare Savings Program (MSP)**, which allows those with low and modest incomes to afford their Medicare premiums and other cost sharing. In addition to disqualifying thousands, many individuals who are *eligible* under the new limits will nevertheless be terminated or denied enrollment, simply because of the difficulty of verifying meager assets. As with the Medicaid expansion under the Affordable Care Act (known as HUSKY D in CT), under which asset tests are prohibited, it is unwise to impose on the MSP any asset test, with its attendant substantial disruption to already burdened processing at DSS, hindering processing for all DSS applicants and beneficiaries. (To save **\$1.1M and \$7.8M**).
- **Remove the Cost of Living Adjustments for TFA, SAGA and Aid to Aged, Blind and Disabled (State Supplement) enrollees**, compounding years of deprivation of this essential adjustment needed so they don't fall deeper into poverty. (Over the last 12 years, the COLA has been funded only twice for TFA and SAGA, and **only five times in 32 years** for State Supplement, with the statutes affirmatively amended each year to deprive the lowest income CT residents of this small adjustment). (To save **\$.8M and \$2.1M**)

- **Impose New Quantity Limits on Medical Equipment, Devices and Supplies for Medicaid Enrollees.** While amounts in excess of the new limits may be exceeded with prior authorization, the reality, where DSS already imposes these quantity limits, is that providers are reluctant to bother with the paperwork to submit such requests, causing low income Medicaid enrollees to go without. (To save unspecified portion of **\$2.6M and \$2.9M**).
- **Cut Contributions to Diaper Bank in Half.** The Governor's budget proposes to cut the state's contribution to the Diaper Bank to save **\$168,300**. This is a relatively small savings for the state budget, but the fact that this cut to very low income families would even be proposed during a pandemic is troubling, reflecting the misplaced priorities in refusing to budge on asking the well-off to pay a modest bit more to balance the budget.

In addition, there are some improvements that are needed in our social safety net to address dire need highlighted by the pandemic. For example, advocates are supporting:

- An increase in the HUSKY A eligibility standard for parents and caretaker relatives of low-income children back up to 201% of the poverty level, from its current 160% of poverty level.
- An increase in the extremely low HUSKY C limits for elderly and disabled individuals, currently about 83% of the federal poverty level (about \$900/month) in most parts of the state, at least up to the income level of the current HUSKY D program, 138% of the poverty level. This is needed so that thousands of low income elderly/disabled people who are currently subject to unworkable "spenddowns" can actually access health care services under Medicaid.
- Coverage under the HUSKY programs for non-citizen individuals, including adults who are legal permanent residents but have not been here for five years and therefore are currently not eligible for this essential medical insurance.

Both the above cuts and the unwillingness to make the above expansions are necessitated by the Governor's unwillingness to consider reasonable revenue options such as those set forth in HB 6187 and SB 821, while still having to produce a balanced budget. ***We can do better.*** It is time to ask those with the highest incomes, who have done very well during the pandemic, to contribute their fair share to a meaningful post-pandemic recovery, so that essential programs like these can be preserved and expanded.

We urge you to pass these bills out of committee and work for final passage so that the final budget adopted this year reflects our shared values of fairness and the need to address income inequality. These bills will create a more equitable tax structure and help to reduce the gross wealth inequity in our state. I urge you to support them.