



Insurance and Real Estate Committee, February 8, 2021

Testimony submitted by
Greater Hartford Legal Aid

SB 842: Support

My name is Alison Weir. I am the policy advocate and a staff attorney at Greater Hartford Legal Aid. On behalf of GHLA, Connecticut Legal Services, and New Haven Legal Assistance Association, I am writing in support of the HUSKY expansion provision in SB 842, an Act Concerning Health Insurance and Health Care in Connecticut.

The income limits under the three Medicaid programs for adults, HUSKY A, C and D, are all substantially too low. While children under HUSKY A are appropriately eligible for this program with family income up to 201% of the federal poverty level, their parents are only eligible up to 160% of the poverty level. It is even lower for HUSKY D, with an income limit of 138% of the poverty level, and for adults who are elderly or disabled, under HUSKY C, the income limits (which vary by region of the state) do not even reach 95% of the poverty level. This is not acceptable, as it means that many vulnerable low income individuals still go without health insurance. We urge the legislature to adopt the provision in SB 842 which would finally address these shortcomings, and we encourage it to move the income limits for all adults to be comparable to that for children.

In particular, restoring the income limit for parents under HUSKY A coverage to 201% of the federal poverty level would raise the income limit to the current income level for children under HUSKY A. With the advent of the Affordable Care Act and subsidies for health insurance bought on the Marketplace insurance exchange, the state lowered the income limit for parents, with the thought that parents who were no longer eligible for HUSKY would buy insurance on the exchange. That proved not to be true. Parents dropped from HUSKY A due to the reductions did not enroll in Marketplace insurance programs because of the significant expense even with the subsidies. In 2018, approximately 80 percent of the parents who lost HUSKY A coverage were uninsured.ⁱ In 2019, according to the Kaiser Family Foundation, 7.8% of all parents in the state are uninsured.ⁱⁱ

Increasing the income limit for HUSKY A parents becomes even more important as the minimum wage increases. Legal services fully supports an increase to the minimum wage. However, one unintended consequence of that will be that the increase will bring families closer to the “benefits cliff” for HUSKY as increased wages push some people past the point of coverage, possibly resulting in substantially more costs for medical expenses than the resulting increased wages. Two parents of a family of four, with minimum wage jobs, perhaps one working full time and one working part-time, who earn \$42,400, or 160% FPL for a family of four, currently qualify for HUSKY A. In August, when the minimum wage

increases to \$13, they will now earn \$45,933, or 173% FPL and would not qualify for HUSKY A anymore. Under the exchange, they could end up paying \$4,974,ⁱⁱⁱ erasing their gains in income and then some. Consider as well that a single adult working part-time in a minimum wage job earning \$17,774.40 annually has an income of 138% FPL and thus would be eligible for HUSKY D. In this case, the increase to \$13 per hour (assuming the same hours) would result in an annual income of \$19,255.60, or 150% of the FPL, pushing them out of eligibility for HUSKY D. Buying a policy on the exchange, even with subsidies, could cost \$3318.52 with premiums and out of pocket costs,^{iv} or more than twice the additional amount earned.

Having more adults insured helps the entire system. Parents covered by Medicaid are also more likely to enroll their children in Medicaid.^v Most uninsured children are eligible but not enrolled in HUSKY.^{vi} After Maine cut eligibility for parents in 2012, child enrollment dropped 13 percent among those in the income bracket where parents lost coverage.^{vii} Uninsured parents are less likely to bring their children to the doctor, even when the child is insured.^{viii} And an uninsured parent introduces financial risk to the family, either because an untreated serious illness impacts their ability to work or because it results in large medical bills. Twenty percent of uninsured adults went without needed care in 2017 because of cost, as compared with 8% of adults with public coverage and 3% with private coverage.^{ix} Because they go to the doctor less frequently, uninsured people have an increased risk of avoidable hospitalization and of being diagnosed at later stages of diseases, including cancer, and have higher mortality rates.^x Nearly two thirds of uninsured individuals who had medical bill problems were unable to pay their medical bills at all.^{xi}

Fifty percent of the cost of restoring the income limit to 201% of FPL would be covered by the federal government, increasing the impact of Connecticut's expenditure and the federal funds coming into Connecticut. The increased coverage will result in significant benefits not only to the individuals covered, but also to their families, and the state as a whole, as uninsured, untreated individuals will be less likely to show up in the Emergency Department with more advanced treatment needs for which no payment is available. For these reasons, we recommend increasing the income limits for all adults, but at least restoring HUSKY A coverage for parents to 201% FPL.

Thank you for the opportunity to speak today.

ⁱ Louis Norris, Connecticut and the ACA's Medicaid Expansion, Health Insurance.Org website, Nov. 13, 2018, accessed at <https://www.healthinsurance.org/connecticut-medicaid/#parents>

ⁱⁱ Kaiser Family Foundation, Health Insurance for Adults with Dependent Children, State Health Facts website, accessed on Dec. 1, 2020 at <https://www.kff.org/other/state-indicator/nonelderly-adults-with-dependents/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

ⁱⁱⁱ Using the Access Health CT Compare plans, assuming two parents, one 40 years old and one 35 years old, with a combined income of \$45,993, the Anthem Blue Cross/Blue Shield Silver PPO Pathways plan would result in a monthly subsidized premium of \$207.12 and a maximum out-of-pocket costs of \$2500.

^{iv} Using the Access Health CT Compare plans, one 35 year-old adult, with an income of \$19,255,60, the Anthem Blue Cross/Blue Shield Silver PPO Pathways plan would result in a monthly subsidized premium of \$68.21 and a maximum out-of-pocket costs of \$2500.

^v Leighton Ku and Matt Broaddas, "Coverage of Parents Helps Children Too," Center on Budget and Policy Priorities blog, October 20, 2006, accessed at https://www.cbpp.org/research/coverage-of-parents-helps-children-too#_ftnref3

^{vi} Elisabeth W. Burak, *Health Coverage for Parents and Caregivers Helps Children* (Washington, DC: Georgetown University Center for Children and Families, March 2017), <https://ccf.georgetown.edu/wp-content/uploads/2017/03/Covering-Parents-v2.pdf>

^{vii} Elisabeth W. Burak, *Health Coverage for Parents and Caregivers Helps Children* (Washington, DC: Georgetown University Center for Children and Families, March 2017), <https://ccf.georgetown.edu/wp-content/uploads/2017/03/Covering-Parents-v2.pdf>

^{viii} U.S. Institute of Medicine, *Hidden Costs, Values Lost: Uninsurance in America*, Chapter 3: Spending on Health Care for Uninsured Americans: How Much, and Who Pays? Wash. D.C., National Academies Press (2003), accessed at <https://www.ncbi.nlm.nih.gov/books/NBK221653/>,

^{ix} Rachel Garfield, Kendal Orgera, and Anthony Damico, "The Uninsured and the ACA: A Primer—Key Facts about Health Insurance and the Uninsured amidst Changes to the Affordable Care Act", Kaiser Family Foundation Website, Jan. 25, 2019, accessed at https://www.kff.org/report-section/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act-how-does-lack-of-insurance-affect-access-to-care/#endnote_link_389454-4

^x Rachel Garfield, Kendal Orgera, and Anthony Damico, "The Uninsured and the ACA: A Primer—Key Facts about Health Insurance and the Uninsured amidst Changes to the Affordable Care Act", Kaiser Family Foundation Website, Jan. 25, 2019, accessed at https://www.kff.org/report-section/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act-how-does-lack-of-insurance-affect-access-to-care/#endnote_link_389454-4

^{xi} Rachel Garfield, Kendal Orgera, and Anthony Damico, "The Uninsured and the ACA: A Primer—Key Facts about Health Insurance and the Uninsured amidst Changes to the Affordable Care Act", Kaiser Family Foundation Website, Jan. 25, 2019, accessed at <https://www.kff.org/report-section/the-uninsured-and-the-aca-a-primer-key-facts-about-health-insurance-and-the-uninsured-amidst-changes-to-the-affordable-care-act-what-are-the-financial-implications-of-lacking-insu/>