Written Testimony before the Insurance and Real Estate Committee
Submitted by the Department of Social Services
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SB 842 - AN ACT CONCERNING HEALTH INSURANCE AND HEALTH CARE IN CONNECTICUT

This bill impacts the Department of Social Services (DSS) in several ways. First, the bill shifts certain responsibilities for the Medicaid working disabled coverage group from DSS to Access Health CT (AHCT). Second, the bill makes changes to the eligibility rules for two eligibility groups in the Connecticut Medicaid program: (i) the program for working disabled individuals; and (ii) the coverage group for parents and caretakers. Third, the bill increases the eligibility threshold for parents and caretaker relatives of children eligible to receive Medicaid. Finally, the bill requires the Labor Commissioner to refer and enroll certain clients in DSS-administered programs.

Section 11

The Department does not support language in Section 11 that modifies the responsibilities of AHCT and DSS with respect to certain aspects of Medicaid eligibility. By way of background, since the enactment of the Affordable Care Act (ACA), DSS and AHCT have worked very closely to implement and operationalize ACA requirements for "insurance affordability programs." This collaboration has included the development of the shared online application system and continuous refinements to and updates of that system over the past several years. While the system is accessed by the public through the Access Health website, DSS maintains full responsibility for the rules and policies that govern Medicaid and the Children's Health Insurance Program (CHIP) for which the shared system determines eligibility. Conversely, AHCT maintains full responsibility for the rules and policies that govern the qualified health plans offered on the same platform.

DSS is the single state Medicaid agency for the State of Connecticut per state and federal law. While federal law permits the delegation of eligibility determinations to other governmental entities in certain circumstances, it would not permit the delegation of eligibility determinations to AHCT. Accordingly, DSS does not support language in the raised bill that delegates or implies delegation of responsibility for setting Medicaid coverage eligibility to AHCT.

Section 11 of the raised bill also makes changes to Section 17b-597 of the General Statutes. Section 17b-597 sets forth the requirements for the Medicaid coverage group for employed disabled individuals, commonly called "MED-Connect." Under this program, certain

Connecticut residents with disabilities may earn up to $75,000 per year and qualify for full Medicaid coverage under HUSKY C.

MED-Connect allows eligible individuals to work and retain assets in excess of what is allowable under traditional Medicaid coverage groups. Individuals above 200 percent of the federal poverty level pay a premium for the coverage. Currently the program includes a $10,000 resource test for individuals and a $15,000 resource test for married couples. This resource test excludes home property, certain retirement accounts and accounts maintained for the purpose of increasing employability. MED-Connect also has a coverage component for individuals who have lost disability status through the Social Security Administration, but still have some severe medical impairment. This is called the "Medically Improved" group. Section 11 would eliminate the income and asset limits for these groups.

The eligibility system that DSS shares with AHCT performs Modified Adjusted Gross Income (MAGI)-based eligibility determinations based on tax filing status for HUSKY A, B and D. In contrast, the MED-Connect program is part of HUSKY C, and the determination of eligibility requires multiple steps not based on tax filing status, including assessment of work effort, disability, and assets. Eligibility for Med-Connect is determined through the DSS ImpaCT system. The MED-Connect program shares much in common with the other HUSKY C eligibility groups for the aged, blind, and disabled that are also determined in the DSS ImpaCT system. The inclusion of MED-Connect in the DSS ImpaCT system is beneficial for clients in that it also allows for coordination with other DSS medical and cash assistance programs for persons with disabilities, including personal care attendant services and the various home and community-based services waivers. Singling out this program and moving it to the shared AHCT system could hinder the ability for individuals to transfer into another HUSKY C coverage group if their eligibility for MED-Connect ends.

In addition to the potential negative impact on clients, the proposed shift of the MED-Connect program from DSS's ImpaCT system to the shared AHCT system would require significant financial resources for the design, development, and implementation of system changes. At a minimum, new eligibility cascades would need to be designed and coded, premium support would need to be developed, and interfaces would need to be revamped. In addition, supporting processes such as disability determinations would need to be realigned and there would be extensive operational, contractual and training costs associated with the shift of programs. Implementation would likely take well over a year.

DSS is committed, however, to ensuring that Connecticut residents with disabilities who qualify for Medicaid are able to remain as fully employed as possible. Therefore, DSS welcomes the opportunity to review data or concerns underlying this proposal. DSS also supports the spirit of the bill to allow for more individuals to enroll in the MED-Connect program, perhaps through a consideration of restructuring eligibility thresholds for qualifying individuals without requiring extensive system modifications and without requiring the involvement of AHCT in Medicaid administrative policy. The Department notes that the financial impact of the proposed bill is challenging to assess. Removing the income and asset limits raises uncertainty about who may be newly eligible under the bill as drafted.

Section 13

Section 13 of the bill increases the Medicaid income limit from one hundred fifty-five percent of the federal poverty level (FPL) to two hundred one percent of the FPL for parents and caretaker relatives in the HUSKY A program. Preliminary research suggests that enrollment in HUSKY A may increase by 20,000 due to this change. Based on that preliminary estimate of increased enrollment, DSS estimates an associated fiscal cost of $67 million in SFY22 and $109.7 million in SFY23.

DSS would also like to raise a technical concern. If the intent of this section is to increase the FPL for parents and caretaker relatives to match the eligibility limit for children under nineteen in HUSKY A, the bill should be revised to provide for a limit of one hundred ninety-six percent of the federal poverty level. An automatic five percent income disregard as required under the ACA makes this an effective eligibility limit of two hundred one percent for children under nineteen. DSS presumes that the intent of the proposal was to align coverage eligibility between children and their parents/caretaker relatives. Section 17b-261 of the General Statutes currently identifies the eligibility for the children at one hundred ninety six percent of the federal poverty level, and the Department recommends using the same number if the intent is to align children and their parents or caretaker relatives.

Section 14

Section 14 of the bill requires the Labor Commissioner to notify individuals applying for unemployment compensation of eligibility for programs administered by DSS, including the supplemental nutrition assistance program (SNAP). The bill further states that the commissioner "shall refer such individuals to the exchange" for the purposes of determining eligibility, and, if eligible "enrolling such individuals" into programs.

DSS appreciates the intent of this proposal and supports the concept of providing information about DSS-administered programs to unemployment compensation applicants. We understand this section, as drafted, to require the Department of Labor (DOL) to refer applicants to AHCT so AHCT can determine their eligibility and, if appropriate, enroll them in coverage, assistance, or benefits. As described in additional detail below, the language could be clarified to more clearly reflect that simple but important role for DOL.

As currently drafted, DSS has several concerns about the specific language in the bill. First and foremost, the exchange is only the entry point for determinations of eligibility for Medicaid and qualified health plans. In order to evaluate eligibility for SNAP or cash assistance programs, applicants would need to be referred to DSS. The exchange is not involved in any way in determining eligibility for SNAP or cash assistance.

Additionally, the bill could be read to suggest that the Labor Commissioner would be required to enroll applicants into benefit programs, which is not something that can be required of the Labor Commissioner nor applicants. Applicants must affirmatively apply for enrollment in benefit

programs, and as such DSS recommends that any proposal be limited to notifying applicants of the availability of such programs.

Finally, DSS has substantial concern that the raised bill contains language that might be interpreted to suggest that an application for unemployment compensation would also serve as an application for DSS-administered benefit programs. DSS complies with a number of state and federal laws that identify when a person has submitted an application for DSS-administered benefit programs, which in turn establishes a number of administrative obligations and client rights. It is important for there to be clarity about when an application for DSS benefits has been initiated, and therefore DSS respectfully recommends that language be clarified to ensure that the Labor Commissioner's role is limited to providing applicants with information about DSS-administered programs.