CONNECTICUT VOICES FOR CHILDREN

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Testimony Regarding

Governor's Proposed FY 26-27 Budget for Human Services Agencies

As Proposed in

H.B. 6864 AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE THIRTIETH, 2027, AND MAKING APPROPRIATIONS THEREFOR.

Joint Committee on Appropriations
February 28, 2025

Dear Co-Chairs Senator Osten and Representative Walker, Ranking Members Senator Somers and Representative Nuccio and members of the Appropriations Committee:

My name is Joseline Tlacomulco, and I am submitting testimony on behalf of Connecticut Voices for Children (CT Voices), a research and advocacy organization working to ensure that one day, Connecticut is a thriving and equitable state where all children reach their full potential.

CT Voices submits testimony regarding the Governor's Proposed FY 26-27 Budget, which currently does not include funding for an expansion of HUSKY for income-eligible CT residents up to age 26, regardless of immigration status. It also does not include an increase in Medicaid reimbursement rates to providers so that all HUSKY recipients can better access healthcare services and providers aren't forced to choose between accepting unsustainably low payments and treating Medicaid patients.

The decision to expand HUSKY eligibility to undocumented children up to age 15 has already had a real impact. Since July 2024, thousands of previously uninsured children have gained access to essential healthcare, helping to prevent costly emergency visits, and improving long-term health outcomes, but healthcare needs don't stop at age fifteen.

Right now, Connecticut's hospitals are overburdened with hundreds of millions of dollars in uncompensated costs of care. In 2023, Statewide hospital uncompensated care costs were $250 million, rising $4.8 million from 2022.[i] These losses don't just hurt hospitals, they raise costs for everyone. When hospitals lose money on uncompensated care, employers pay more for insurance, state Medicaid budgets stretch thinner, and individuals and families see higher premiums and medical bills. In fact, expanding HUSKY coverage to all undocumented people in Connecticut could save up to $72 million a year through reduced ER visits and more robust preventative care according to a 2019 study by RAND.[ii] This bill is not just about improving healthcare for undocumented people, it's about protecting all of us from rising healthcare costs.

In Connecticut, there are over 17,000 undocumented young adults ages 16-24, representing 15 percent of undocumented people in the State.[iii] Covering them alone could save up to $11 million per year in healthcare costs. These seventeen thousand young people live and work alongside us,

attend the same schools as us, and contribute to our economy in vital ways just as we do. In 2018 alone, undocumented immigrants in Connecticut paid $198 million in state and local taxes.[iv]

The impact of this increased funding goes beyond healthcare costs; increasing this funding would positively affect Connecticut's workforce and economy as well.[v] Undocumented workers already make up about 5 percent of the state's workforce, and immigrants overall now account for nearly 20 percent of Connecticut's labor force.[vi] This means that many of the young adults locked out of Medicaid today are the very people keeping our state's economy healthy.

Despite these significant contributions, most of these neighbors are ineligible for healthcare coverage, and many find themselves unable to afford care with routine check-ups and preventive treatment out of reach. This leads to over-reliance on emergency rooms when their conditions are much more costly and severe, and ultimately poorer health outcomes, which can impact their ability to go to school and work. Additionally, research shows that insuring immigrants costs the healthcare system less than half the amount per person compared to U.S. born adults, $3,800 vs. $9,400 annually.[vii] Without expanded coverage, hospitals will continue to be burdened with high uncompensated care costs while individuals and families experience delayed care and preventable medical hardships.

The evidence is clear: When young adults have healthcare coverage, they are more likely to stay in school, maintain employment, and contribute to the State's economy. According to a 2022 study, young people with affordable and uninterrupted access to healthcare have fewer preventable hospitalizations, lower emergency room usage, and improved long-term health outcomes.[viii] The question isn't whether we can afford to expand coverage, it's whether we can afford not to. This expansion represents a financially responsible, evidence-backed policy decision that will save hospitals millions in uncompensated care costs, reduce reliance on emergency Medicaid, and improve the health and economic productivity of 17,000 young people in our State.

We thank the Committee for your work and the opportunity to testify.

Respectfully,

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[i] Connecticut Office of Health Strategy, *Annual Report on the Financial Status of Connecticut's Short Term Acute Care Hospitals for Fiscal Year 2023*.
[ii] Rao, Preethi, Federico Girosi, and Christine Eibner. "Expanding Insurance Coverage to Undocumented Immigrants in Connecticut." RAND Corporation, June 7, 2022. https://www.rand.org/pubs/research_reports/RRA1964-1.html.
[iii] Migration Policy Institute, *Unauthorized Immigrant Population Profiles: Connecticut*, accessed February 18, 2025.
[iv] American Immigration Council, *Immigrants in Connecticut* (August 6, 2020), accessed February 18, 2025.
[v] Ibid
[vi] U.S. Census Bureau, *Selected Characteristics of the Native and Foreign-Born Populations: 2013 American Community Survey 1-Year Estimates*, accessed February 18, 2025.
[vii] Kaushal N, Muchomba FM. Cost of Public Health Insurance for US-Born and Immigrant Adults. *JAMA Netw Open*. 2023
[viii] S. M. Wood, M. Yue, S. V. Kotsis, A. V. Seyferth, L. Wang, and K. C. Chung, "Preventable Hospitalization Trends Before and After the Affordable Care Act," *AJPM Focus* 1, no. 2 (2022): 100027, published August 28, 2022.