CONNECTICUT VOICES FOR CHILDREN

Enrollment in Connecticut's HUSKY Program Increased Under the Affordable Care Act

May 2014

On May 1, the Centers for Medicare and Medicaid Services (CMS) reported on the impact of the Affordable Care Act (ACA) on enrollment in Medicaid and the State Children's Health Program (CHIP) by state.[1] In the 47 states for which enrollment data were available for analysis, CMS reported that Medicaid and CHIP enrollment increased by 4.8 million individuals (8.2%) by March 2014, compared with average monthly enrollment prior to Medicaid expansion (July to September 2013). Among those 47 states, the increase was higher in states that adopted the Medicaid expansion, with an average increase of 12.9 percent (ranging from 1.4% in Illinois to 43.7% in Oregon), compared with just 2.6 percent in states that did not expand Medicaid.

According to CMS, baseline data for Connecticut were not available for the analyses; however, the Department of Social Services reports HUSKY Program (Medicaid and CHIP) enrollment by month, making it possible to conduct a similar analysis to assess the impact of Connecticut's Medicaid expansion (Table 1). Compared to average

Table 1. HUSKY Program Enrollment Before and After ACA Implementation and Medicaid Expansion

	After Medicaid expansion (March 2014)	Prior to Medicaid expansion (Jul-Sep 13)	Number change	Percent change
Total HUSKY A, C, D (Medicaid)	**677,689**[a]	**622,134**	**55,555**	**8.9%**
HUSKY A (children, parents, pregnant women)	454,072	432,914	21,158	4.9%
HUSKY C (elderly, disabled individuals)	95,941	96,070	-129	-0.1%
HUSKY D (low income adults without children)	127,676	93,150	34,526	37.1%
Total HUSKY B (CHIP; premium bands 1 and 2)[b]	**11,286**	**12,384**	**-1,098**	**-8.9%**
Total HUSKY Program enrollment	**688,975**	**634,518**	**54,457**	**8.6%**

[a] CMS reported Connecticut Medicaid enrollment of 704,387 individuals; however, counts for HUSKY A, C and D reported by the Connecticut Department of Social Services (Active Medical Assistance Coverage Groups—Eligibility Report, issued April 7, 2014) totaled 688,975 (not including 2,736 individuals with limited benefits for family planning, treatment of breast or cervical cancer, and tuberculosis).

[b] HUSKY B enrollment count for children with subsidized coverage; children in HUSKY B premium band 3 are not included in the count (unsubsidized coverage for 538 children in March 2014, compared with 1,004 children on average July-September 2013).

Source: Analysis of HUSKY Program summary data by Connecticut Voices for Children. HUSKY A, C, D data: Connecticut Department of Social Services report on Active Medical Assistance Coverage Groups—Eligibility Report, April 7, 2014. HUSKY B data: HUSKY Application Center (Xerox, Inc.), April 14, 2014.

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monthly enrollment in the pre-expansion baseline (July to September 2013), HUSKY Program enrollment increased by over 54,000 individuals (8.6%). As expected, the greatest increase (37.1%) was in HUSKY D, since income eligibility for these low-income adults without dependent children was greatly expanded in January 2014. The number of children in the subsidized portion of HUSKY B declined about nine percent.

Discussion

As a result of the Affordable Care Act, Connecticut is getting closer to covering ***every*** eligible Connecticut resident. Outreach and application assistance campaigns coordinated by Access Health CT helped the uninsured obtain coverage and likely contributed to increasing enrollment in both HUSKY and in private health insurance plans.

Expanding Medicaid is a key feature of the Affordable Care Act (ACA), aimed at ensuring health insurance coverage for all Americans. Connecticut was the first state in the nation to take steps under the federal law toward expanded coverage when the state converted a previously state-funded program to Medicaid in April 2010.[2] On January 1, 2014, Connecticut became one of 26 states and the District of Columbia that expanded Medicaid to the income eligibility levels established by the ACA.[3] Low-income adults without dependent children are now eligible for Medicaid coverage.[4]

In 2012, Connecticut had a relatively low uninsured rate compared to the nation (9.2% under age 65 in 2012, compared with 17.7% nationwide).[5] This difference was due to two main reasons: a larger percentage of Connecticut families with employer-sponsored insurance and a historically higher income eligibility level for children and families in the HUSKY Program (Medicaid and CHIP). Adoption of the Medicaid expansion and successful development of a state-based health insurance marketplace have contributed to coverage for an additional 54,000 individuals in Medicaid or CHIP. More than 79,000 individuals gained private coverage through the marketplace, and most of them (78%) receive financial assistance.[6]

With more continuous, uninterrupted health coverage, children and adults are more likely to have a regular source of health care, access timely care, and fill needed prescriptions.[7] Connecticut policy makers should monitor enrollment trends to track the impact of the ACA on coverage and costs for the following reasons:

- The Department of Social Services is addressing recent problems with timely Medicaid application and renewal processing.[8] The eligibility management systems for the health insurance marketplace will not be fully integrated electronically with HUSKY A, C, and D (Medicaid) and HUSKY B (CHIP) until late 2015. Until then, problems with application processing and renewal will continue to affect coverage continuity, i.e., the ability of families to remain continuously enrolled in health insurance for a specified period of time, such as a year or more.
- In states that expanded Medicaid prior to 2014 (including Connecticut), officials reported that predicting expansion costs and enrollment were particularly challenging.[9] Applications for Medicaid coverage can be submitted at any time, not just during the open enrollment period for marketplace health insurance options that closed March 31.
- The decline in enrollment of children in HUSKY B merits further investigation. Reasons might include higher HUSKY A income eligibility levels that have resulted in more children becoming eligible for HUSKY A.
- Research suggests that up to 50 percent of adults with income below 200 percent of the federal poverty level will move back and forth between Medicaid and marketplace coverage as their eligibility changes over the course of a year, providing further challenges to eligibility management and jeopardizing continuous coverage.[10]

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[1] Centers for Medicare and Medicaid Services. Medicaid & CHIP: March 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report. Issued May 1, 2014. Available at: http://www.medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/March-2014-Enrollment-Report.pdf

[2]Effective April 1, 2010, Connecticut transferred 45,000 individuals from the existing state-funded program; an additional 36,000 who enrolled by July 2012 (80% increase). Enrollment increased in large measure due to changes in eligibility criteria, such as the elimination of a very low asset test. Under the ACA, only income is taken into account in determining eligibility. Enrollment has continued to increase. With the switch to Medicaid, the federal government now shares in the cost of providing coverage to low-income adults (HUSKY D).

[3]In June 2012, the United States Supreme Court determined that the Medicaid expansion under the ACA should be construed as a state option rather than a mandate in order to pass constitutional muster. See National Federation of Independent Business v. Sebelius, 567 U.S. 1 (2012). The case was heard together with Florida v. Department of Health and Human Services., For an analysis of the Supreme Court decision, see, for example, Kaiser Commission on Medicaid and the Uninsured, *Guide to the Supreme Court's Affordable Care Act Decision (July 2012)*, available at http://kff.org/health-reform/issue-brief/a-guide-to-the-supreme-courts-affordable/.

[4] Effective January 1, 2014, the income eligibility level for the Medicaid expansion category (HUSKY D coverage for low income adults) increased from 56% FPL to 138% FPL. In 2014 138% FPL equals $15,856 annually for an individual.

[5] DeNavas C, Proctor BD, Smith JC. Income, poverty, and health insurance coverage in the United States: 2012. Washington, DC: US Census Bureau, September 2013.

[6] ASPE Marketplace Summary Enrollment Report and CMS March Medicaid/CHIP Enrollment Report, issued by HHS on May 1, 2014. Profile for Connecticut available at: http://aspe.hhs.gov/health/reports/2014/MarketPlaceEnrollment/Apr2014/pdf/ct.pdf.

[7] Seifert R, Kirk G, Oakes M. Enrollment and disenrollment in MassHealth and Commonwealth Care. Massachusetts Medicaid Policy Institute, April 2010.

[8] In order to reduce the number of eligible individuals who might otherwise lose coverage, the Department of Social Services has extended by three months the coverage for those who are due to renew HUSKY A, C or D coverage. For example, an individual who was due to renew in January 2014 was extended through April 2014. This action may have temporarily increased the number of Medicaid enrollees over what may be attributable to the implementation of the Medicaid expansion alone.

[9] Early adopters: California, Connecticut, District of Columbia, Minnesota, New Jersey, and Washington. Sommers BD, Arntson E, Kenney GM, Epstein AM. Lessons from early Medicaid expansions under health reform: Interviews with Medicaid officials. Medicare & Medicaid Research Review, 2013; 3(4): E1-E22.

[10] Sommers BD, Rosenbaum S. Issues in health reform: how changes in eligibility may move millions back and forth between Medicaid and insurance exchanges. Health Affairs 2011, 2(11): 228-236.