

Testimony Regarding the Department of Social Services Budget: HUSKY Program

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Appropriations Committee
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Dear Senator Harp, Representative Geragosian and Members of the Appropriations Committee:

I am a Senior Policy Fellow with Connecticut Voices for Children, a statewide research-based policy think tank that works at the state and federal levels to advance public policies that benefit the state's children, youth and families.

I am here today to *oppose* the Governor's Budget cuts to the HUSKY health insurance program, but to *support* the Governor's recommendation to utilize a non-risk administrative services organization instead of at-risk managed care plans in HUSKY. We also *support* her recommendation to fund independent performance monitoring of HUSKY.

Rather than relying on spending cuts that damage the state's economy and hurt our ability to invest in the future, we need a more balanced approach that includes revenues. As in other states, this crushing national recession is causing big problems for families. Just as people's needs are rising dramatically, the revenues the state has to meet those needs are falling. More than ever today, people need access to quality health care, child care, jobs, and education. So we have to fill that gap between people's growing needs and what it takes to meet them.

We urge you to support revenue options to help resolve this problem, including closing corporate tax loopholes through combined reporting, evaluating the hundreds of millions of dollars in corporate tax breaks to see whether CT is getting an economic return on its investment, delaying reductions in the estate tax, and increasing income taxes on households that are most able to pay.

We *oppose* the following recommendations because they hurt families and will not save the state money. (Reference below to Medicaid adults includes HUSKY A parents):

- Increasing premiums and co-pays on children in HUSKY B
- Imposing co-payments on adults in Medicaid
- Eliminating coverage for over-the-counter medications for adults in Medicaid
- Eliminating coverage for eyeglasses and vision services provided by optometrists for adults in Medicaid
- Narrowing the definition of medically necessary services in Medicaid
- Imposing prior authorization on all mental health drugs not on DSS's preferred drug list (applies to children too)
- Reducing funding and limiting scope of reimbursable foreign language interpretation services
- Eliminating funding for HUSKY Infoline which provides a state-wide call center to help families with questions regarding eligibility and access to care.

The Governor's budget reductions in HUSKY will result from *eligible* families failing to enroll in the program due to unaffordable premiums, *eligible* families failing to utilize needed health care due to unaffordable co-pays, and health care providers being on the hook for co-pays that they cannot collect from many of the individuals whom they treat. (See a more detailed analysis of the listed cuts in the attached CT Voices for Children brief: *The HUSKY Program Budget in Context: An Analysis of the Governor's FY 2011 Budget Proposal*, Rev. Feb. 4, 2010).

Restore funding for HUSKY Infoline

We oppose the Governor's proposal to eliminate funding for HUSKY Infoline within United Way of CT/2-1-1 system. HUSKY Infoline provides an important and unique service to thousands of Connecticut families every year. CT Voices staff have first-hand knowledge of the invaluable services that its experienced and multilingual care coordinators provide, helping 1.2 million kids and parents in the last 12 years to get the health care they need and navigate the ever-changing HUSKY system.

We also know that the Department of Social Services has relied heavily on HUSKY Infoline to communicate with families about the implementation of frequent changes to the program, such as the managed care transition, pharmacy and dental carve-outs, and the complicated federal citizenship documentation regulations. Given the economic challenges facing families combined with the proposed changes to the HUSKY program, **the need to maintain HUSKY Infoline is greater than ever.**

Support for an Administrative Services Organization

Last year we urged this Committee to enact legislation that would require the Department of Social Services to utilize an administrative rather than the current at-risk managed care plans in the HUSKY program. We are pleased to see that the Governor's budget includes such a proposal.

Our analysis suggests that the state is likely to reap meaningful savings from this change even if the state cannot claim the enhanced federal match under the Recovery Act for the administrative services provided by an ASO. That is because administrative costs get matched at the regular rate of 50 cents on the dollar rather than the almost 62 cents on the dollar under the Recovery Act which applies through December 31, 2010. Because Connecticut currently pays the managed care plans a per member per month fee that includes funding for administrative costs, the state is allowed to claim the enhanced match for all of the dollars paid to the health plans. This should not deter lawmakers and the Department from moving forward with the development of an ASO model.

We urge lawmakers to work with the Department of Social Services to develop an ASO model that includes the comprehensive data collection and reporting requirements under managed care and apply lessons learned from Connecticut's current ASOs in HUSKY – the CT Behavioral Health Partnership and the CT Dental Health Partnership. Moreover, successful Primary Care Case Management (PCCM) models in other states have relied on ASOs to provide functions that are not easily accomplished by all health care providers, such as arranging transportation, credentialing, data collection and reporting, and other administrative functions.¹

Support for Independent Performance Monitoring

Connecticut Voices for Children provides independent performance monitoring of the HUSKY program through a grant from the Department of Social Services to the Hartford Foundation for Public Giving.² We support the Governor's proposal to continue this funding. By tracking the care that children in HUSKY actually receive, independent performance monitoring helps to ensure that the goal of access to preventive care is met, and information is reported to all stakeholders in order to facilitate quality program improvements.

Now that the Governor herself has proposed continuing this funding in FY 11, we would hope that the Department of Social Services will finally be able to contract for the monitoring work for the remainder of the current fiscal year. The legislature had appropriated the funds last year but the Department has yet to release them. Given the ongoing changes in the HUSKY program, independent monitoring is more important than ever.

The Governor's budget assumes that the Recovery Act's enhanced Medicaid matching funds will continue through SFY 11 in the amount of \$265 million. As a result of the Recovery Act, the federal government currently pays for about two thirds of the cost of HUSKY. ***Or stated another way – for every three dollars Connecticut spends on its HUSKY kids and families (as well as other adults on Medicaid), the federal government gives us back about two dollars.*** Congress can help prevent Connecticut from cutting back on its promises to kids' and families' health by maintaining its financial commitment to the Medicaid and CHIP programs beyond December 31, 2010 when the Recovery program is slated to end. It is therefore urgent that this Committee and all state lawmakers contact our Congressional delegation immediately, and ask that they work hard to pass additional state fiscal relief.

Thank you for the opportunity to submit this testimony concerning the Governor's budget proposals related to the HUSKY program. Please free to contact me if you have questions or need additional information.

¹ See, M. Lee, S. Langer, Opportunities for Improving Care for Families in the HUSKY Program (April 2008), available at www.ctkidslink.org/pub_detail_407.html

² See, M. Lee, M. Sullivan, How is the HUSKY Program Performing? (March 2009), available at www.ctkidslink.org/pub_detail_288.html