

**Testimony Regarding S.B. No. 32: An Act Implementing the Governor's Budget
Recommendations Concerning Social Services
Testimony in Support of H.B. No. 5068: An Act Concerning Amendments to the
Medicaid State Plan**

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Human Services Committee
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Dear Senator Doyle, Representative Walker and Members of the Human Services Committee:

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

CT Voices *opposes* the Governor's budget cuts to the HUSKY health insurance program set forth in S.B. 32, but *supports* the Governor's recommendation to utilize a non-risk administrative services organization for medical services in HUSKY.

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 (Sec. 29)
- Eliminating HUSKY Plus coverage for children in HUSKY B (Sec. 48)
- Imposing co-payments on adults in Medicaid (Sec. 34)
- Eliminating coverage for over-the-counter medications for adults in Medicaid (Sec. 31)
- Eliminating coverage for eyeglasses, contact lens or services provided by opticians for adults in Medicaid (Sec. 30)
- Narrowing the definition of medically necessary services in Medicaid (Sec. 36)
- Imposing prior authorization on all mental health drugs not on DSS's preferred drug list (applies to children too) (Sec. 33)
- Reducing funding and limiting scope of reimbursable foreign language interpretation services (Sec. 37)
- Eliminating funding for HUSKY Infoline which provides a state-wide call center to help families with questions regarding eligibility and access to care. (in Governor's Budget)
- Eliminating Medicaid Managed Care Council (Sec. 68)
- Eliminating quality of care standards and public input in HUSKY B (Sec. 68)
- Permitting DSS to implement any and all policies and procedures prior their formal adoption as regulations (Sec. 42)

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 many of the

above-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).

Oppose Elimination of HUSKY Plus Benefits (Sec. 48)

We oppose elimination of the HUSKY Plus program which provides supplemental benefits for children with HUSKY B subsidized coverage (between 185% and 300% FPL, e.g., \$43,028 and \$54,930 for a family of three) who have special health care needs. HUSKY Plus was included in the original legislation that created the HUSKY program because of concerns that uninsured children with intensive health care needs would not be able to afford special equipment or other essential medical services. HUSKY Plus Physical helps pay for items, such as hearing aids and special nutritional supplements. Currently, there is only one separate HUSKY Plus Program – HUSKY Plus Physical which is administered by the Connecticut Children's Medical Center. HUSKY Plus Behavioral Health was rolled into the Connecticut Behavioral Health Partnership when behavioral health services were carved out of managed care in 2006. We have the following questions and concerns. Are any behavioral health services being eliminated for HUSKY B children who would otherwise be eligible for what were HUSKY Plus Behavioral Health services? If so, what services are being eliminated? Approximately 200 children each month receive critically needed services from HUSKY Plus Physical. It is unclear from this statutory repeal whether the Governor is proposing to eliminate the services entirely or eliminating the manner in which the services are covered: If one or more administrative services organizations (ASOs) take the place of managed care organizations, will the services be provided through the ASOs rather than as a separate wrap-around program? And if that is the case, how will families know that those services or equipment are still available?

Oppose Elimination of Funding for HUSKY Infoline

We oppose the Governor's proposal in her budget 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.**

Oppose Elimination of Medicaid Managed Care Council (Sec. 68)

This is no time to eliminate the Medicaid Managed Care Council which advises the Department of Social Services about the HUSKY program. The Council brings together the many stakeholders in

this large and complicated program – legislative leaders, DSS officials, health care providers, health advocates and community based organizations to help promote transparency, accountability and improvements in the program. Now when the Governor is proposing another major change to the program - converting from a risk-based managed care organization model to utilization of non-risk administrative services organizations – the Council should continue to provide guidance and feedback to DSS as it navigates this latest challenge.

Oppose giving DSS authority to implement any and all policies and procedures prior to their adoption through formal rulemaking (Sec. 42)

Generally, state agencies, including DSS, must following the state Uniform Administrative Procedures Act in adopting regulations. Increasingly, the legislature has allowed the Department to implement policies and procedures mandated by state statutes “while in the process of adopting such policies and procedures as regulation” so long as the Department publishes a notice of a intent to adopt regulations within 20 days of implementing them. While there are reasons to allow such an exception on a case-by-case basis - for instance - to comply with federal law, to maximize federal funds, or to expand eligibility mandated by the legislature, DSS should not be given carte blanche to circumvent the formal rulemaking process. As a case in point, in the dozen years that the HUSKY B program has been in effect – its regulations have NEVER been finalized. The Department has been allowed to operate under “proposed” regulations and has little incentive to formalize its rules- particularly when the priorities of the legislative and executive branches do not mesh. This proposed change will only encourage disregard for the law and undermines transparency.

Oppose elimination of state statutes that require accountability and transparency in the HUSKY Program (Sec. 68)

Section 68 would repeal HUSKY B quality of care standards applicable to managed care organizations ostensibly because the Governor is proposing to eliminate managed care organizations in the HUSKY Program. Accountability in the HUSKY Program is one of the positive outcomes of utilizing managed care and should not be abandoned. We therefore oppose repeal of 17b-298 (Regulations re: quality of care under HUSKY Plan). We also oppose repeal of 17b-302 (Public Involvement in the Design and Implementation of HUSKY B). Again, presumably the Governor is proposing to eliminate this statute because of its references to managed care organizations. Among the requirements of this statute is to “ensure ongoing public involvement”. Such ongoing public involvement is important and should continue regardless as to whether it is required by federal law.

Support Administrative Services Organization (Sec. 45)

Last year we urged this Committee to enact legislation that would require the Department of Social Services to utilize an administrative services organization 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.

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 notification to the legislature of amendments to the Medicaid State Plan (HB 5068)

We support requiring the Department of Social Services to notify the Human Services and Appropriations Committees of proposed amendments to the Medicaid state plan. Sec. 17b-8 already requires the Department to submit an application for federal Medicaid waivers to the Human Services and Appropriations Committees. In recent years, federal law has changed to give states more flexibility in modifying their Medicaid programs through state plan amendments, rather than via the more complicated waiver application process. It therefore makes sense for the Department to notify this legislative body of any proposed state plan amendments to allow the committees (and the public) for an opportunity to review and comment before the amendments are submitted to the federal government.

Please urge Congress to continue increased federal Medicaid funding (enhanced match) through SFY 11

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.

Please consider alternatives to damaging cuts to HUSKY and Medicaid

And finally, 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. 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. CT Voices for Children is ready, willing and able to offer alternatives to the above damaging cuts to kids and families.

Thank you for the opportunity to submit this testimony concerning the Governor's 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