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Strengthening HUSKY as a Cornerstone of Health Care for Connecticut's Children and Families

Candidate Briefing
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HUSKY and Medicaid are pillars of Connecticut's health care infrastructure and the foundation upon which health care reform will be built. The HUSKY Health Program is a central component of Connecticut's health care system, providing low-cost or free health care coverage for over 270,000 children and 130,000 parents and pregnant women. In addition, more than 200,000 Connecticut adults – seniors, low-income, or those with severe disabilities-- also rely on HUSKY Health (Medicaid) for all or a portion of their health care coverage.

HUSKY provides affordable coverage to children, low-income families and young adults. Connecticut has done a good job of expanding health coverage through opportunities afforded by the Affordable Care Act and the Children's Health Insurance Program (CHIP) programs. Recent research demonstrates that expanded Medicaid coverage to low-income adults reduced mortality rates, and improved coverage and access to care.[1] It is therefore troubling that Connecticut is seeking federal approval to restrict eligibility for HUSKY D (which includes coverage for very low-income young adults, including 19 to 21 year olds) this year in order to save $50 million in state funds. In 2014, HUSKY D coverage will be paid 100 percent by the federal government, a big savings to the state.

HUSKY is good for the state economy and good for families' budgets. Health services is the state's *largest* job sector.[2] The success of this area of the economy, which is reliant on public sector investment, would be undermined by HUSKY and Medicaid cuts. These cuts would have a ripple effect on the economy -- jeopardizing not only family health, but also the viability of suppliers, physicians, clinics, hospitals and countless others. For many Connecticut families, HUSKY has been a health care lifeline as the national recession has resulted in the loss of jobs and employer-sponsored health coverage. Connecticut should step up its support for HUSKY during these difficult economic times.

HUSKY is a cost-effective investment. The federal government currently reimburses the state for half to two-thirds of Medicaid (HUSKY A, C, and D) and CHIP (HUSKY B) costs in Connecticut. So to "save" $1 in state funds, policymakers would need to cut almost $3 in HUSKY funding for children's health coverage. In addition, children and parents in HUSKY are relatively inexpensive to cover, compared to other Medicaid enrollees. While children, parents, and pregnant women make up 75 percent of persons covered by Medicaid in Connecticut, they account for just 26 percent of all Medicaid spending.[3]

Continuous coverage is essential for children to access needed care and

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reduce administrative costs. One in four children in the state relies on the HUSKY Program for preventive and comprehensive health care services. But too often, children in HUSKY experience gaps in coverage due to confusing program notices and procedural snafus during the process of renewing HUSKY coverage. These gaps in turn affect their access to timely and cost-effective care. Recent research points out that gaps are costly to the state, as well as to families who have lost coverage.[4] Children's health care costs after a gap in coverage may be up to two times higher than before the gap, depending on how many months the child was without coverage, [5] and re-enrolling children dropped from coverage results in higher administrative costs.[6]

Implementation of national health reform provides opportunities to strengthen HUSKY. Under the new national health reform law, Connecticut will be required by 2014 to operate a health insurance exchange through which uninsured middle-income individuals and small businesses can purchase health insurance. Connecticut should take full advantage of opportunities to strengthen HUSKY and Medicaid as health reform takes shape in the state and the nation.

To maintain and improve health insurance coverage for Connecticut's children and families, state policymakers should:

- **At a minimum, maintain current coverage and benefit levels.** It is vital that Connecticut does not undermine or dismantle its financing infrastructure during these difficult economic times.
- **Determine how best to protect families from unaffordable cost-shifting in 2014 when approximately 20,000 low income adults who are currently in Medicaid (HUSKY A) may no longer be eligible as a result of federal health reform.** Connecticut will have to choose whether to a) maintain coverage of these low-income parent and pregnant women and share the cost with the federal government; b) shift their coverage to the exchange, where they will have to pay a significant amount toward premiums and other out-of-pocket costs, or c) implement the "Basic Health Program" option in which the state would cover low-income adults with federal dollars that would otherwise have subsidized their coverage through the exchange. If Connecticut moves families out of Medicaid, the best way to protect them will likely be to provide them with access to the "Basic Health Plan."[7]
- **Ensure that the Department of Social Services has the staff expertise and resources to implement health reform initiatives that affect families in HUSKY and Medicaid, including the need to fully "modernize" its HUSKY eligibility processes and coordinate its systems with the exchange in 2014.** More emphasis should be placed on maintaining coverage for families already covered by HUSKY.
- **Maximize federal funding and reinvest such funds in the HUSKY program.** For example, in 2011 Connecticut was awarded over $5 million in federal "CHIPRA" bonus funding for increasing enrollment after streamlining its eligibility processes. Connecticut may again be eligible this year for federal bonus funds depending on enrollment and maintaining simplified processes.
- **Strengthen the network of providers who participate in HUSKY and Medicaid.** In 2013, primary care providers will receive increased reimbursements through federal health reform funds; however, policymakers may need to adjust rates for specialty care providers or adopt other solutions to ensure that low-income children and families have access to the full range of specialty care that they need.
- **Ensure that sufficient resources are provided for timely data collection and independent evaluation of how well the HUSKY Program is serving children and families.** Without data and meaningful evaluation, policymakers cannot know what is and is not working.

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[1] Sommers, B., Baicker, K., Epstein, A. Mortality and Access to Care among Adults after State Medicaid Expansions, July 25, 2012.
[2] Connecticut Voices for Children, "State of Working Connecticut, 2011," September 2011.
[3] Kaiser Family Foundation, Distribution of Medicaid Payments by Enrollment Group & Distribution of Medicaid Enrollees by Enrollment Group, FY2009. www.statehealthfacts.org. Current expenditures for HUSKY A are not available.
[4] Seifert R, Kirk G, Oakes M. Enrollment and disenrollment in MassHealth and Commonwealth Care. Massachusetts Medicaid Policy Institute, April 2010.
[5] Fairbrother G, Schuchter J. Stability and churning in Medi-Cal and Healthy Families. The California Endowment. March 2008.
[6] Seifert, Kirk, and Oakes, *op.cit.*
[7] Legal Assistance Resource Center of Connecticut, Research Brief: Evaluating the State Basic Health Program in Connecticut, January 2012.