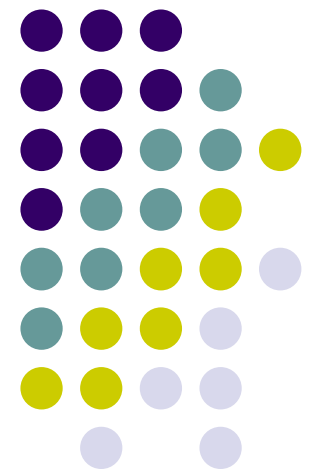


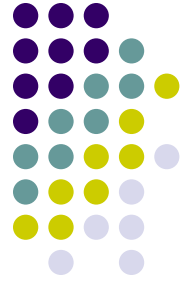
Impact of Proposed Changes in HUSKY

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Medicaid and CHIP: The Big Picture



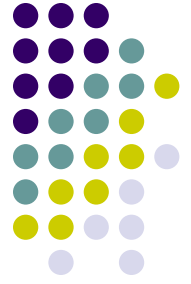
- Insure 27% of children nationally
- Over ten years, helped bring uninsured rate for children down from 19% to 15%
- Cover 4 of 10 births in the U.S.
- Account for \$1 of every \$6 spent on health care across the nation

Connecticut's HUSKY Program



- **HUSKY A** = Medicaid for low-income families
- **HUSKY B** = CHIP for children with incomes over the HUSKY A limit
- Cover 345,000 children and parents
 - 1 in 4 Connecticut children
 - 1 in 3 babies born in Connecticut in 2006

Gaps Remain



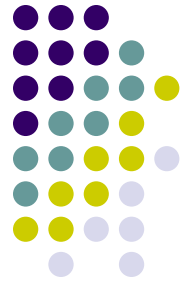
- Over 50,000 Connecticut children and 60,000 parents have ***no insurance***
- Lack of insurance means:
 - Limited access to primary, preventive care
 - Failure to get immunizations
 - Care in the emergency room
- ***Hard economic times*** makes it harder for families to afford coverage and care

Financing HUSKY

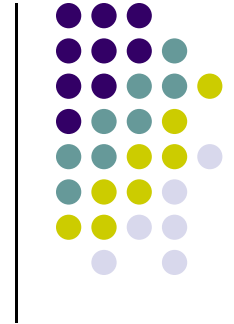


- Adults and children in HUSKY A account for only 23% of Connecticut Medicaid costs (but 75% of the people)
- Historically, the **federal government** pays 50¢ of every HUSKY A dollar and 65¢ of every HUSKY B dollar
- With **stimulus funds**, the HUSKY A federal matching rate rises to at least 60¢

Proposals by the Governor in Response to Budget Deficits

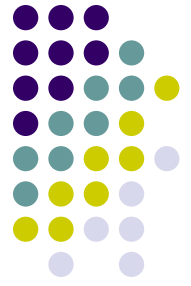


- New and increased ***premiums*** for some people in HUSKY A and HUSKY B
- New ***copayments*** for a variety of services for some beneficiaries
- Elimination of state program covering certain ***lawfully residing immigrants***



New and Increased Premiums

Who is Affected by the New and Increased Premiums?



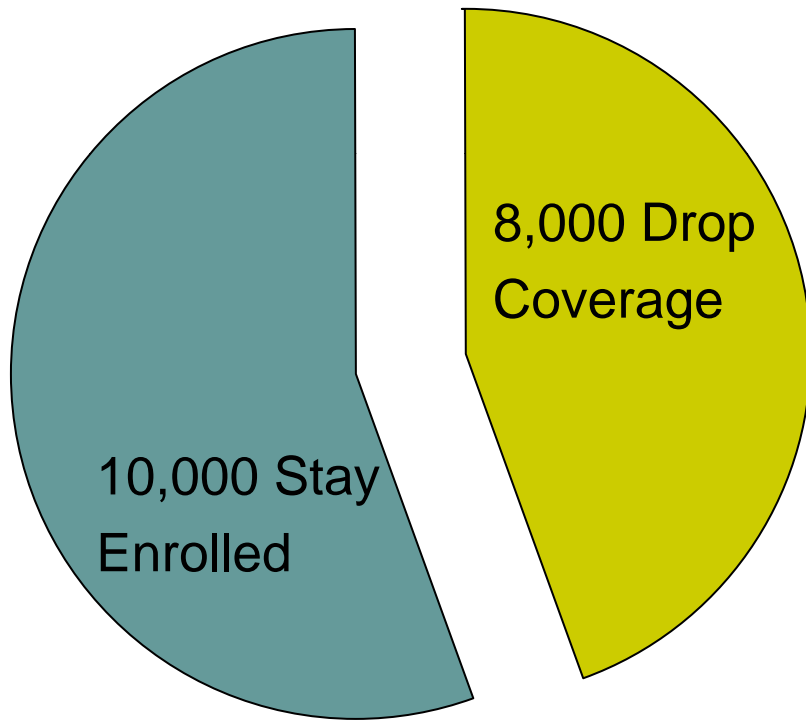
- ***New premiums*** for **18,000 HUSKY A parents** with incomes over 150% of poverty (about \$27,500 for a family of 3)
- ***Premiums increased*** to \$50–\$100 per month (up from \$30–\$50) for **5,000 children in HUSKY B** with family incomes between about \$43,000 and \$55,000

What Does Research Tell Us About Premiums?

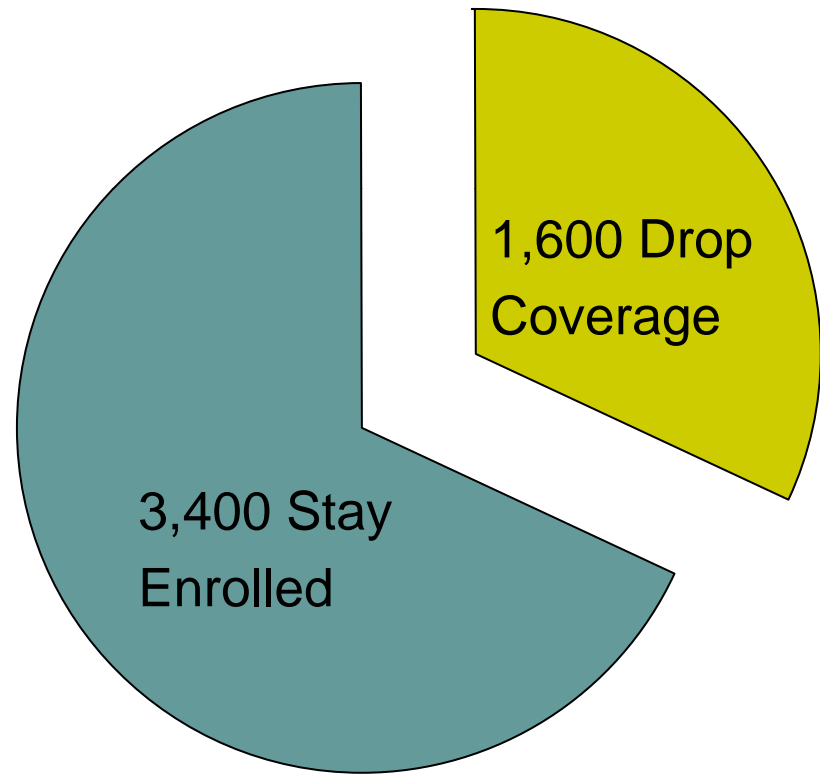


- **Missouri:** 30% decrease in enrollment over 2 years following new premiums in 2005
- **Maryland:** About 28% of children disenrolled in a year when they faced \$37 monthly premiums
- **Oregon:** Enrollment dropped from 100,000 to 30,000 when adults below the poverty level were charged premiums.

Projected Loss of HUSKY Coverage



HUSKY A Parents



HUSKY B Children

Potential Big Loss for the State



- Federal stimulus law requires each state to ***maintain eligibility standards***
- Guidance says new or increased premiums are an eligibility reduction
- Connecticut risks losing ***\$1.3 billion*** in new federal dollars in exchange for ***\$21 million*** in savings from premiums



New Copayments on Selected Health Services

What New Copayments Are Possible?



Within Limits Imposed by Federal Law:

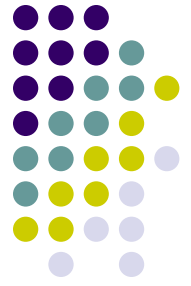
- *Preventive services:* copayments up to 20% for parents
- *Outpatient services:* copayments up to \$3.40 or 20% for parents and many children
- *Prescription drugs:* at least \$3.40 per Rx
- *Non-emergency use of the ER*

Impact of Copayments



- State saves when families pay a share of the costs
- State saves when families cannot afford the cost and go without services
- Major research study tells us that asking people to pay leads them to forgo needed services as well as inappropriate ones

Research on Prescription Drug Copayments Tells Us:

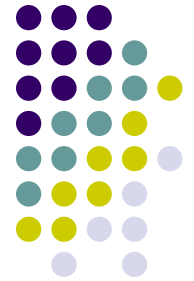


- Even with copays as low as 50 cents for a prescription, people with limited incomes stop using some drugs
- People more likely to stop drugs for conditions like hypertension where the effect on health is not immediately obvious
- When people stop taking drugs, their use of ERs, hospitals, nursing homes increases



Providers are Affected

- Payment rates are already low
- Need to collect a copayment adds to administrative burden
- Failure to collect a copayment effectively reduces payment rates
- ***End result:*** Some providers may stop taking Medicaid patients



Coverage for Lawfully Residing Immigrants



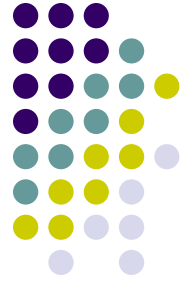
Current State Coverage

- 1996 federal law restricted use of federal dollars to cover immigrants in U.S. for less than five years
- CT chose to use **state dollars** to cover 6,000 lawfully residing immigrants
- 2009 CHIPRA offers **new federal matching funds** for covering 2,500 lawfully residing immigrant children and pregnant women

If Coverage is Dropped, Most Lawfully Residing Immigrants...

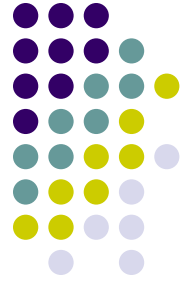


- Will become uninsured
- Will lack a regular source of care
- Will fail to see primary care doctors
- Will defer care as long as possible
- Will use the emergency room when they do seek care



Research Tells Us:

- Pregnant women are more likely to get prenatal care if insured
- Children are nearly twice as likely to have a well-child visit if insured
- \$1.00 cut from prenatal care means \$3.33 more costs in extra postnatal care and \$4.63 more for other childhood services



The State Pays Anyway

- ***CT must pay for emergency services***, including childbirth, for immigrants even if they are not covered by Medicaid
- Infants born to CT immigrant mothers are U.S. citizens and thus eligible for HUSKY
- CT community health centers will treat lawfully residing immigrants, even if not insured – but will lose Medicaid payments



Conclusions

- New or increased premiums risk both forcing people to become ***uninsured*** and a major ***loss of new federal stimulus funds***
- New copayments on services will likely cause families to ***forgo needed services***
- ***New federal dollars*** can help pay the tab for covering lawfully residing immigrants
- Any loss of coverage affects not only ***individuals***, but also ***providers***