

Impact of Reducing Eligibility for HUSKY Parents from 155% of FPL to 138% of FPL



Connecticut Health
FOUNDATION

Center for Health Law and Economics, University of Massachusetts Medical School

FINDINGS

Governor Malloy's proposed budget for 2018-19 includes reduced eligibility for parents and relative caregivers in HUSKY A, the state's Medicaid program. The budget would reduce the income limit from 155 percent of the federal poverty level (FPL) (about **\$31,650** for a family of three) to 138 percent (about **\$28,180**). This change would affect

9,500 parents, who would lose their eligibility for HUSKY! (There are about **175,000** adults covered by HUSKY A, as of January 2017.) Pregnant women would not be affected by this change (income eligibility for pregnant women extends to 263 percent of FPL).

ADDED COSTS FOR AFFECTED PARENTS

Parents who lose HUSKY and do not have another source of health insurance would have the option of purchasing private coverage through Access Health CT (AHCT), Connecticut's health insurance marketplace. Parents in this income range would be eligible for subsidies through AHCT for their insurance premiums and cost sharing (co-payments and deductibles). Still, parents who enroll in AHCT would face out-of-pocket expenses they do not have now in HUSKY.



UMass estimates that the average increase in expenses would be over \$1,200 dollars per year, about \$100 per month, or about 4 percent of the income for an average family in this group.

COVERAGE CHANGES FOR AFFECTED PARENTS

HUSKY eligibility for parents was rolled back in 2015, when the income limit was reduced from 201 percent of FPL to 155 percent.

Most parents (about 17,000) affected by that change lost their eligibility as of August 1, 2016. As of December 2016, 16 percent of the group had enrolled in an Access Health CT plan; 39 percent were still covered by Medicaid (because they qualified for other portions of HUSKY or had lower incomes than had been thought).² The fate of the remaining 45 percent of the group – how many have coverage from another source and how many are uninsured – is unknown. We know from national surveys that only 23 percent of Connecticut adults with income below 200 percent of FPL have employer-sponsored coverage, which is likely the only other significant potential source of coverage for this group. Eighteen percent of adults below 200 percent of FPL were uninsured.³

If this pattern were to hold for the parents affected by the proposed reduction to 138 percent FPL, then about **1,500 of the 9,500 would enroll in AHCT coverage, and about 3,700 would retain HUSKY eligibility.** With no data from the last eligibility change as a guide, it is difficult to predict what might happen with the remaining 4,300 people, but it seems likely that many parents who don't remain in HUSKY or enroll in an AHCT plan would go without coverage. This also

would have a detrimental effect on coverage and access to care for many children of these parents: research has repeatedly found that children are less likely to participate in public coverage programs such as Medicaid – even when eligible – if their parents are not enrolled.⁴

In addition, parents moving from HUSKY to AHCT would encounter additional expenses for services that are not covered or covered as well in AHCT plans. Dental coverage for adults, for example, is available as stand-alone from AHCT but is unsubsidized;⁵ behavioral health services are typically more limited in private health insurance than in Medicaid.

The 16 percent estimate for acquiring AHCT coverage aligns with past research and experience from other states. A study measuring low income families' sensitivity to increasing premiums in publicly subsidized insurance programs estimated that a premium equal to about 5 percent of a family's income results in a 20 percent participation rate among eligible people.⁶ As noted above, the \$1,200 in potential additional expenses is 4 percent of the income for an average-sized family in this group.

OTHER STATES' EXPERIENCES

WISCONSIN

Eligibility for parents rolled back from 200 percent to 100 percent FPL in January 2014.

62,000 parents affected. As of July 2014:

- 9 percent stayed on Medicaid
- 30 percent enrolled in a health plan through the federal insurance marketplace
- 18 percent enrolled in other (non-marketplace) private coverage
- 43 percent had unknown status.⁷

RHODE ISLAND

Eligibility for parents rolled back from 175 percent of FPL to 138 percent of FPL in January 2014.

6,574 parents affected. As of May 2014:

- 24 percent stayed on Medicaid through redeterminations
- 11 percent enrolled in a health plan through the Rhode Island marketplace and paid a premium
- 19 percent never submitted an application to enroll in a marketplace plan
- 10 percent enrolled in a marketplace plan but never made a payment
- About 36 percent were unaccounted for.⁸

REFERENCES

- 1 Arielle Levin Becker, "How health care and Medicaid fare in Malloy's budget." *Connecticut Mirror*, February 8, 2016.
- 2 Ibid.
- 3 Kaiser State Health Facts, "Health Insurance Coverage of Low Income Adults 19-64 (under 200% FPL). <http://kff.org/other/state-indicator/low-income-adults/?currentTimeframe=0>, accessed February 16, 2017 (2015 data).
- 4 Sara Rosenbaum and Ramonda Perez Trevino Whittington, *Parental Health Insurance Coverage as Child Health Policy: Evidence for the Literature*. George Washington University School of Public Health and Health Services (June 2007). http://publichealth.gwu.edu/departments/healthpolicy/CHPR/downloads/Parental_Health_Insurance_Report.pdf, accessed February 21, 2017; Jennifer E. DeVoe et al., "The Association Between Medicaid Coverage for Children and Parents Persists: 2002–2010." *Maternal and Child Health* 19:8 (August 2015).
- 5 It should be noted, however, that the Governor's budget proposal also includes a new annual cap of \$1,000 for dental services to HUSKY adults.
- 6 Leighton Ku and Teresa A. Coughlin, "Sliding-Scale Premium Health Insurance Programs: Four States' Experiences." *Inquiry* 36:4 (Winter 1999/2000).
- 7 Jon Peacock, Wisconsin Council on Children and Families, "New DHS Data Confirm Our Fears: Most Adults Losing BadgerCare Aren't Insured in the Marketplace" (July 24, 2014). Additional DHS data on private insurance take up obtained through private communication with Wisconsin Council on Children and Families.
- 8 Kate Lewandowski, "Ensuring Continuous Coverage for HUSKY Parents: Lessons and Strategies from the Rhode Island Experience." Connecticut Health Foundation (July 2015).

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Contributors

Robert Seifert, MPA, Principal
University of Massachusetts Medical
School, Center for Health Law and
Economics

Rachel Gershon, JD, MPH, Associate
University of Massachusetts Medical
School, Center for Health Law and
Economics

Eva Weymouth, Design Consultant
E.K. Weymouth Design