

KEEPING PARENTS COVERED AS HUSKY CUT APPROACHES



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KEY POINTS

- More than 15,000 parents are at risk of losing HUSKY (Medicaid) coverage because of a change in eligibility adopted in 2024.
- Those affected are low-income parents and other caretakers of minor children. A single parent of one child who works full time at minimum wage would lose HUSKY eligibility, for example.
- Many of these parents will be eligible for no-cost insurance through Covered Connecticut, which uses state and federal money to discount the cost of coverage through the state's health insurance marketplace, Access Health CT.
- However, some of these parents might be ineligible for Covered Connecticut.
- Some of the federal funding that helps to pay for Covered Connecticut is slated to expire at the end of 2025.
- There is a risk that some of these parents will end up uninsured. State policymakers should identify options for those who are not eligible for Covered Connecticut, require data reporting to monitor what happens to those who lose HUSKY coverage, and consider other sources of funding if federal funds expire. Policymakers could also consider reversing this eligibility change so parents do not lose coverage.

Connecticut is poised to cut eligibility for HUSKY, which provides health care coverage for low-income state residents. This change is expected to cause more than 15,000 parents and others who serve as caretakers for minor children to lose their health care coverage.

Many of these parents will be able to access a relatively new program, Covered Connecticut, that provides free health insurance through the state's health insurance marketplace, Access Health CT. However, not all will qualify for this coverage, and those who do qualify will likely need support to sign up. In addition, some of the federal funding that supports Covered Connecticut is slated to expire at the end of 2025.¹ There is a risk that those losing coverage could become uninsured, moving the state backward after years of gains.

Health care coverage is critical to good health, and changes in eligibility can have significant consequences for people's health and financial well-being. It is important that those losing HUSKY have support and assistance finding new coverage, and that policymakers monitor the effects of these cuts to determine whether these parents are able to gain new coverage and use it to get care, or whether they become uninsured.

This brief focuses on who will be affected by this change and offers recommendations to minimize the harm that could come from this cut, as well as key indicators to monitor to determine its effects.

WHAT IS CHANGING?

As part of the 2024 ARPA budget implementation bill,² state lawmakers lowered the HUSKY income limits for parents and other caretakers from 160% of the federal poverty level to 138%. For a family of two, this changes the income limit from \$32,704 to \$28,207. *Under this change, a single parent with one child who works full-time for minimum wage would no longer be eligible for HUSKY.*

This cut is expected to cause 15,300 parents and other caretakers to lose HUSKY coverage, according to the legislature's nonpartisan fiscal analysts.³

Of those, an estimated 13,770 parents and caretakers would be eligible for one year of HUSKY coverage before the cut takes effect. The remaining 1,530 would need to find another source of coverage this year.



HUSKY

HUSKY, as Medicaid is known in Connecticut, provides health care coverage to people with incomes below certain thresholds.

HUSKY A, the portion of the program affected by this cut, covers minor children and their parents or other caretaker relatives, such as grandparents raising their grandchildren. As of March 2024, HUSKY A covered 142,883 parents and caretakers.¹

EXPERIENCE FROM RECENT HUSKY CUTS

This is not the first time Connecticut has cut eligibility for parents in HUSKY, and we can learn from past experiences.

In 2015, lawmakers cut eligibility for parents and caretaker relatives from 201% of the federal poverty level to 155%. Lawmakers required officials to report on the coverage status of parents affected by the cut.⁴ This allowed policymakers and others to monitor whether assumptions about parents being able to get other coverage were accurate.

The cut was expected to affect 18,903 parents. Four months after the cut took effect for the majority of parents, only 16% had coverage through Access Health CT. Another 39% still qualified for Medicaid and remained covered through the program. It was not clear what happened to the other 42%.⁵

Unlike 2015, when parents would have had to pay premiums and cost-sharing for coverage through Access Health CT, today Covered Connecticut provides a source of no-cost coverage. However, Covered Connecticut is a relatively new program. We don't yet have data on what people's experience of the coverage is and how easy it is to transition from HUSKY.

In addition, the federal funding that supports Covered Connecticut is slated to expire at the end of 2025. There are also important distinctions between HUSKY and Covered Connecticut.

COVERED CONNECTICUT

Covered Connecticut was created in 2021 to serve people whose incomes were just above the limit for HUSKY. It allows people to buy coverage through Access Health CT, the state's insurance marketplace, and uses federal and state funding to cover people's costs. As a result, people with Covered Connecticut do not pay premiums or out-of-pocket costs when they get care.

KEY DIFFERENCES BETWEEN HUSKY AND COVERED CONNECTICUT

While both HUSKY and Covered Connecticut provide health insurance, it's important to understand key differences that could affect whether people losing HUSKY are able to stay insured.

Not everyone who loses HUSKY will qualify for Covered Connecticut.

While HUSKY is available to anyone whose income meets certain guidelines, Covered Connecticut is only available to people who do not have access to another source of insurance—including coverage through a job or Medicare. Some people with Medicaid are offered employer-sponsored insurance but the premiums and cost-sharing can be unaffordable with their low incomes, particularly in high-deductible plans.

Under the Affordable Care Act, people who are offered employer-sponsored insurance can buy federally subsidized insurance through an exchange—and therefore qualify for Covered Connecticut—if their premiums are deemed unaffordable; in 2024, that equates to costing more than 8.39 percent of their income.⁶ However, this calculation does not take into account the cost of deductibles, which are common in employer-sponsored insurance plans. As a result, people with low incomes could end up ineligible for Medicaid and Covered Connecticut because they are offered an employer-sponsored insurance plan that requires them to pay thousands of dollars for most medical services before the plan pays.

In addition, some grandparents caring for their grandchildren are covered by HUSKY A and would not qualify for Covered Connecticut if they are 65 or older and qualify for Medicare (which also comes with costs for members).

Enrolling in Covered Connecticut requires more action than signing up for HUSKY.

When someone signs up for coverage through Access Health CT, they have a choice between insurance plans offered by two different companies. To qualify for Covered Connecticut, they must select specific plans. This is a more complicated process than signing up for HUSKY, which only has one option. It will be important to ensure people have assistance in picking a plan and signing up, and to ensure that the process is not a barrier to coverage. Navigators, assisters, and brokers can help.

Cuts to parent eligibility can inadvertently impact their children's coverage.

Research indicates that low-income children are less likely to have health care coverage if their parents are uninsured, even if the children are eligible.^{7,8} Researchers have suggested that in some cases, parents are unaware that their children remain eligible when they lose eligibility.⁹ It will be critical to monitor children's coverage rates and to ensure that parents who become ineligible for HUSKY are assured that their children still qualify.

HUSKY and Covered Connecticut plans have different networks of health care providers.

Not all doctors and other health care providers are covered by both HUSKY and Covered Connecticut plans. Proponents of the cut have said that moving to Covered Connecticut could give members more choices in providers. It will be important to monitor patient experiences to see how any change in coverage affects their access to care.

WHAT CONNECTICUT SHOULD DO TO ENSURE ADULTS DO NOT BECOME UNINSURED

Ensure there is navigation support for people losing HUSKY coverage.

Signing up for Covered Connecticut is more complicated than signing up for HUSKY. Ensuring that people losing HUSKY coverage have assistance to learn their options and sign up for coverage will be critical to ensuring they stay covered and are able to get care when they need it.



Identify how many people will not be eligible for Covered Connecticut, and make a plan for them.

Not everyone who loses HUSKY coverage will be eligible for Covered Connecticut. That's because federal subsidies to discount the cost of coverage for people to buy insurance through Access Health CT are not available to people who are offered insurance through their jobs or other sources. To ensure that these residents do not become uninsured, officials should research how many people might fall into this category and identify options for ensuring that they have coverage that is affordable.

Make a plan for what to do if the enhanced federal subsidies expire.

Covered Connecticut is largely funded through federal subsidies that discount the cost of insurance. A portion of those federal subsidies will expire at the end of 2025 unless Congress and the president extend the funding. If the funding expires, the state's costs for Covered Connecticut would rise significantly.

Conduct patient experience surveys.

Covered Connecticut is a relatively new program. It will be important to gather information from members to learn how this coverage compares to HUSKY and whether they are able to use their coverage to get care. Because having parents and children eligible for different forms of coverage can lead to confusion about who is eligible and which providers are covered, it will also be important to monitor whether children whose parents or caregivers are affected by the cut stay covered by HUSKY and continue to receive health care.

Require monitoring of data on those losing coverage, including enrollment, access to care, and the impact on the number of households with unaffordable health care costs.

When eligibility was cut in 2015, state law required the Department of Social Services and Access Health CT to report quarterly on the number of people who, because of the eligibility level changes:¹⁰

- Were no longer eligible for Medicaid
- Remained eligible after a review
- Lost Medicaid coverage and signed up for an insurance plan through Access Health CT without a gap in coverage
- Lost Medicaid and did not enroll in an insurance plan through Access Health CT immediately after losing coverage

Similar reporting will be critical to understand whether these parents and other caregivers are able to maintain a source of health insurance coverage or whether they become uninsured.



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