

Testimony Regarding
Senate Bill 990: An Act Concerning Expanding the HUSKY Formulary
Senate Bill 988: An Act Concerning Medicaid Funding for SAGA and Charter Oak
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Distinguished Members of the Public Health, Insurance and Real Estate, and Human Services Committees:

I am testifying today on behalf of Connecticut Voices for Children, a research-based public education and advocacy organization that works statewide to promote the well-being of Connecticut's children, youth, and families. I am Senator Harris's designee on the Behavioral Health Partnership Oversight Council which advises the Departments of Children and Families (DCF) and Social Services (DSS) on the planning and implementation of the Connecticut Behavioral Health Partnership (CTBHP).

We *oppose* subjecting mental health drugs to the HUSKY Formulary as proposed in Senate Bill 990: AAC Expanding the HUSKY Formulary. This important issue should have been brought first to the CTBHP for review. The CTBHP includes medical and mental health providers, consumers and mental health advocates, state agency staff, and members of the General Assembly. The CTBHP should be given the opportunity to weigh in on this significant change in advance of drafting such legislation.

From a recent conversation at the Council about this proposed legislation, many members expressed concern that subjecting mental health prescription medications to the formulary will reduce access to timely and critically needed drugs that assist children and adults in improving and maintaining their functioning. Often non-formulary drugs have been prescribed precisely because those on the formulary have been tried and rejected as ineffective or causing untenable side-effects for the patient. Given that the Governor's budget recommendations also includes restricting the availability of a temporary supply of medication when a doctor does not seek prior authorization (PA) of medication that would otherwise require PA, there is tremendous concern that children and adults with serious mental illnesses will be deprived life-sustaining and life-saving medications. See Senate Bill 843, Sec. 46. Patients may end up in emergency departments due to the lack of access to timely administered and effective medications prescribed by their doctors. Such important policy changes should not be driven by the need to save money in the state budget.

We *support* converting SAGA and the Charter Oak Health Plan to Medicaid through application of a waiver of federal law under Senate Bill 988: AAC Medicaid Funding for SAGA and Charter Oak *with the following modification:*

The requirement that the Department of Social Service (DSS) seek an 1115 waiver should not reference the “Health Insurance Flexibility and Accountability demonstration initiative” (HIFA).

Under President Bush’s administration, “HIFA. . .allows states to achieve ‘savings’ *by limiting coverage and/or imposing new costs on existing beneficiaries.*”¹ The federal government caps its contribution in exchange for state’s willingness to expand Medicaid coverage to previously ineligible categories of people, e.g., childless and non-disabled adults. To meet the federal government’s “budget neutrality” goals, a state typically would have to cut back benefits, and impose or increase cost-sharing on existing Medicaid populations. The HIFA waiver is not a creature of federal statutory law but was invented by the Bush administration to reduce federal expenditures in the Medicaid program. The Obama administration is examining the wisdom of retaining the HIFA waiver alternative given its considerable risks to vulnerable Medicaid populations.

We would agree that converting SAGA medical and Charter Oak to Medicaid would accomplish two important goals. It would allow Connecticut to obtain federal matching funds for these publicly funded and subsidized health insurance programs that are currently financed with state-only dollars. (Connecticut does receive federal matching funds for hospitalizations of SAGA beneficiaries but not for physician services, prescription medications, and all other non-hospital based services). In addition, SAGA and Charter Oak members would have access to the full array of preventive and cost-effective services under Medicaid. The HealthFirst Connecticut Authority (of which I am a member) recently issued its report on how to move the state toward universal coverage and health care. One of its strong recommendations was including SAGA and Charter Oak in the Medicaid program via a federal waiver. ***It is crucial, however, that moving SAGA and Charter Oak recipients into Medicaid does not result in other Medicaid populations losing out – reducing benefits, cost-shifting to recipients and the like.***

We support the following alternative language which will also be offered by others today:

“Section 1. . . .(a) Not later than January 1, 2010, The Commissioner of Social Services shall apply to the United States Department of Health and Human Services for a waiver of section 1902(a)(10)(A) of the federal Social Security Act and such other sections of federal law as the Secretary may require, in order to operate a demonstration project under section 1115 of that Act for the purpose of extending health insurance coverage under Medicaid to persons qualifying for medical assistance under (1) the state-administered general assistance program, and (2) the Charter Oak Health Plan, established pursuant to section 17b-311 of the general statutes. No such waiver shall be submitted which would permit or require any reduction in eligibility, coverage or services under the existing Medicaid program for the aged, blind and disabled and the HUSKY program, Part A in effect at the time of the approval of the waiver, in order to gain approval from the Secretary. The commissioner shall submit the application for the demonstration project to the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations prior to submitting the application to the government in accordance with section 17b-8 of the general statutes. (b) If the proposed demonstration project is approved by the Secretary, the commissioner shall submit the demonstration project, as so approved, to the joint standing committees of the General Assembly having cognizance of matters relating to human

services and appropriations, in accordance with section 17b-8 of the general statutes, for consideration and approval, prior to implementation of the demonstration project.”

Thank you for this opportunity to testify regarding Senate Bills 980 and 988. Please feel free to contact me if you have questions or need further information.

¹ For a clear and brief explanation of 1115 Waivers and, in particular, the impact of HIFA waivers on beneficiaries, see, Kaiser Commission on Medicaid and the Uninsured, *Key Facts: Medicaid Section 1115 Waivers: Current Issues* (January 2005).