



Connecticut Association for Human Services
110 Bartholomew Street, Suite 2040
Hartford, Connecticut 06106
March 5, 2020

**Testimony before the Human Services Committee
Public Hearing on H.B. 5015
The Governor's Proposed FY 21 Budget Adjustments**

Good afternoon, Senator Moore, Representative Abercrombie, Representative Case and Members of the Appropriations Committee.

I am Liz Fraser, Policy Director of the Connecticut Association for Human Services (CAHS). CAHS is a statewide nonprofit agency that works to reduce poverty and promote equity and economic success for children and families through both policy and program initiatives.

As this committee reviews the Governor's proposed budget adjustments, we ask that you consider the eligibility limit for Medicaid A, (the health insurance benefit for parents who have Husky eligible children), and take measures to increase it from 160% of the FPL back up to the 2015 eligibility level of 201% of the FPL. We know how important Medicaid A is from a health and wealth standpoint: children are more likely to be signed up for insurance and to see a doctor if their parents are insured; families are less likely to go into debt from medical bills; and hospitals have less uncompensated care. The importance of this benefit to families and to the community is the basis for my concern and testimony.

In 2016- cuts to CT's Medicaid program resulted in over 11,000 parents losing their health insurance. In 2018 and 2019, CT took the necessary steps ensure that additional cuts were not implemented. However, while a much-needed increase in Connecticut's minimum wage is welcomed, it comes with challenges. For benefits with strict cut-offs, such as Medicaid A, some families may begin to earn marginally higher incomes with the increased minimum wage, and then will no longer be eligible for Medicaid A.

While the different cliffs and their individual regulations can be complicated to understand and calculate, we have done some basic analyses, and find that the first benefit cliff that families will fall off of is Medicaid A.

Initial analysis shows that the first year of the wage increase in 2019 up to \$11.00 per hour might not have impacted too many families. However, there are indications that this fall, as wages rise to \$12.00 an hour and up, the cliff will hit and more parents who will lose their Husky A coverage. Additionally, this will most certainly impact parents who already make a little bit over minimum wage and receive a small 50 cent raise to keep their wages proportional to their colleagues whose wages were below the new minimum wage. (Figure 2)

Of course, there is the Affordable Care Act Insurance available in CT. However, for under-resourced families, (many with very little, if any savings), the added costs and out of pocket expenses associated with the ACA, can potentially be a financial hardship. (Figure 1)

This new uncertainty of whether these changes will or will not provide an overall benefit, are especially true for part time workers. In Connecticut 25% of children are living in a home where no parent has secure employment. Often, parents, single or a couple, are cobbling together hours, sometimes with several jobs to make ends meet. A few extra hours that are not expected during a month can put a family over the eligibility

limit for benefits, including Medicaid A. Because part time workers don't always know their weekly or monthly hours will be, it is difficult to calculate when and if they will lose coverage. Figure 3

While other New England states have done research on how cliffs impact families, Connecticut has not yet done intensive research and analysis on this subject. It is very complicated and can be expensive to produce. With each benefit available, there are both federal and state requirements and regulations. Some are in statute; some are regulated by agency policy or federal plans. There are reporting requirements, income eligibility, asset limits, and a myriad of other cumbersome rules- some woefully outdated. It all has to be reviewed and analyzed.

The Two Generation Advisory Council Benefit Cliff sub- group is gathering information on the cliff effect from the increase in minimum wages and considering policy solutions to put forth. There will be some low cost/no cost remedies for the short term brought forward, which CAHS heartily supports. Longer term solutions will follow.

However, families can't wait for long term relief to be determined and implemented. They will begin to feel the effect soon of cliffs soon. Increasing the eligibility of Medicaid A up to 201% of the FPL will give a bit of relief to families as we do more research and look for more comprehensive solutions.

The remainder of this testimony is graphic illustrations which give additional context to the narrative. Please feel free to contact me at efraser@cahs.org for additional information.

Monthly Costs of ACA , ConnectiCare , Silver Plan ¹

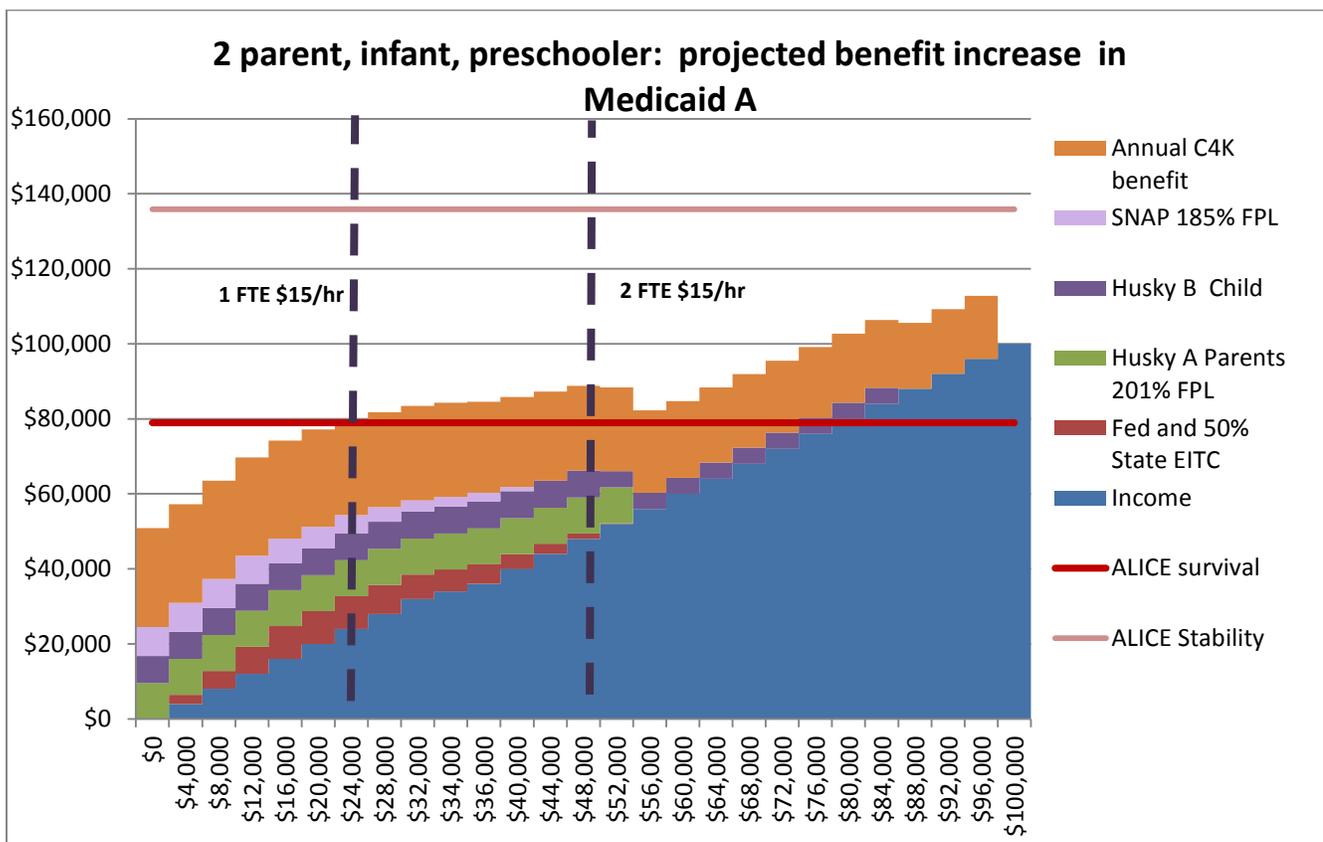
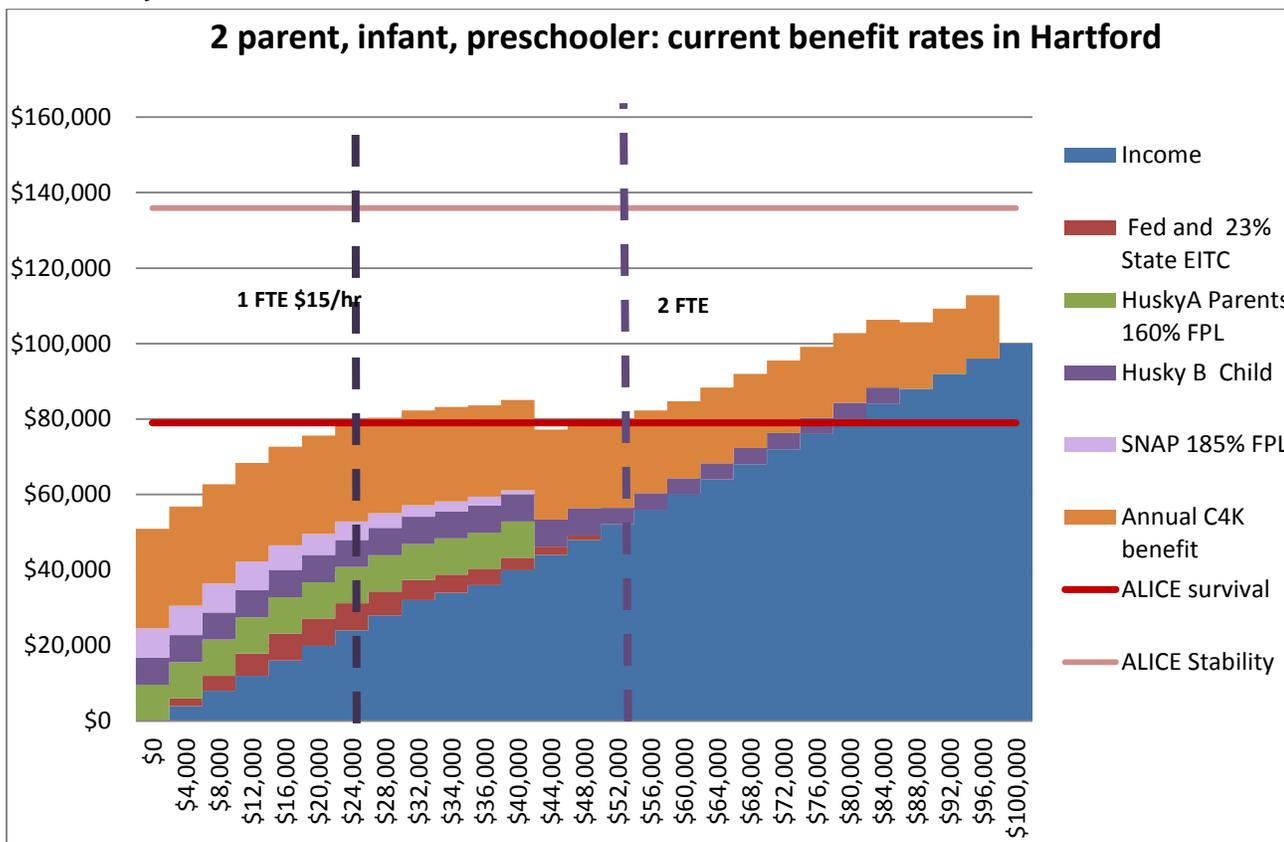
A small increase in minimum wages will not replace the cost of losing Husky A. The cost of the ACA will be burdensome with monthly payments, high deductibles and co-pays. The ACA tax benefit will not make up for the monthly costs. Most families do not have even 400.00 in savings. One illness or accident could easily put a family into medical debt.

Monthly cost \$108.3 (\$1300.00 year, after \$843. yearly tax credit; actual upfront cost is \$178.00 or \$2,136.)

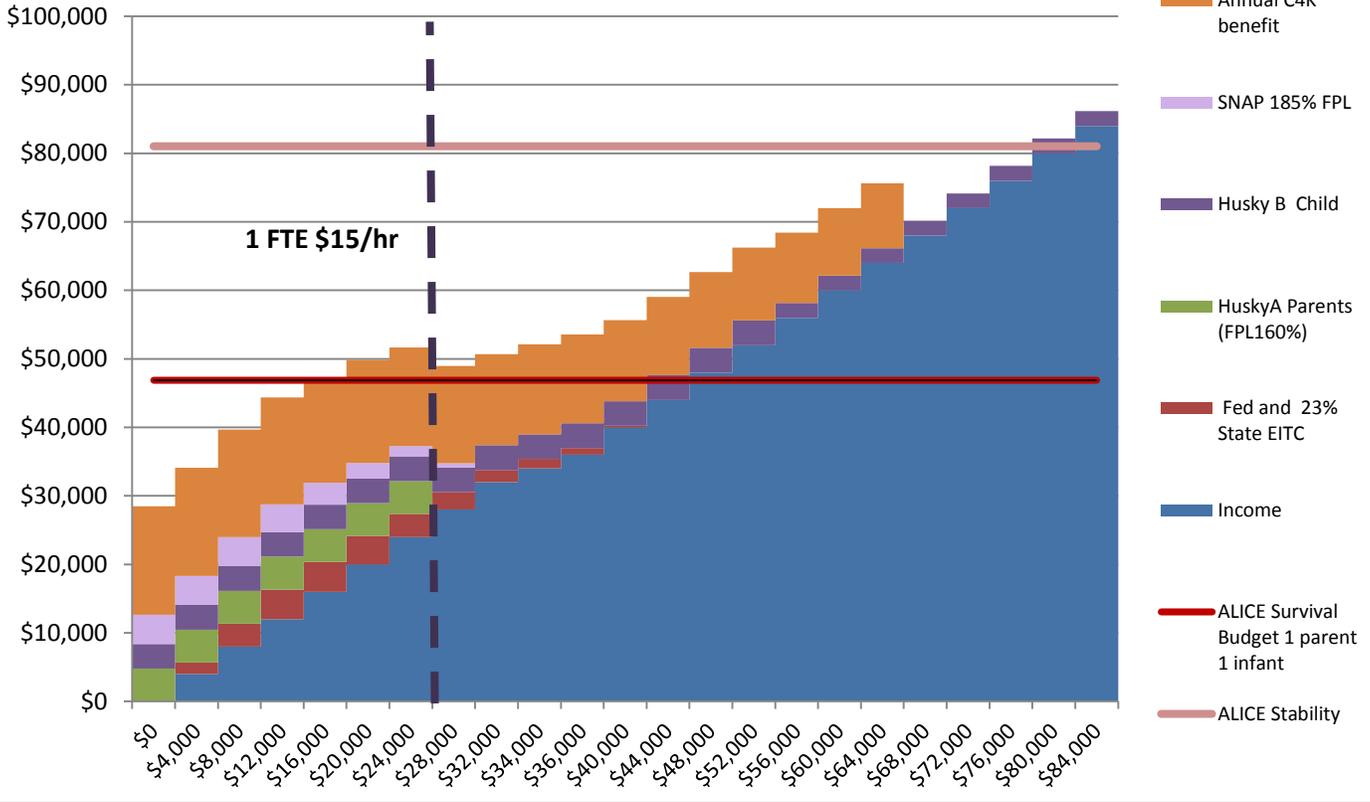
- Maximum out of pocket is \$5,000. Couple/ \$2,500. Single
- Emergency Room \$150.
- Primary care \$20.
- Specialist \$45
- Deductible \$650/ \$1,300.
- Prescriptions \$10 generic, higher depending on category of drug.
- Hospital \$400 per admission

¹ Source is access health care.com

Graphs A, B, C, D Graphs developed by Dr. Sheryl Horowitz, CAHS, using information from the Connecticut Office of Policy and Management (OPM), National Center for Children in Poverty Research and Products from School and State Finance Project



1 parent 1 infant present benefit rates



1 parent 1 infant projected increase in Medicaid A

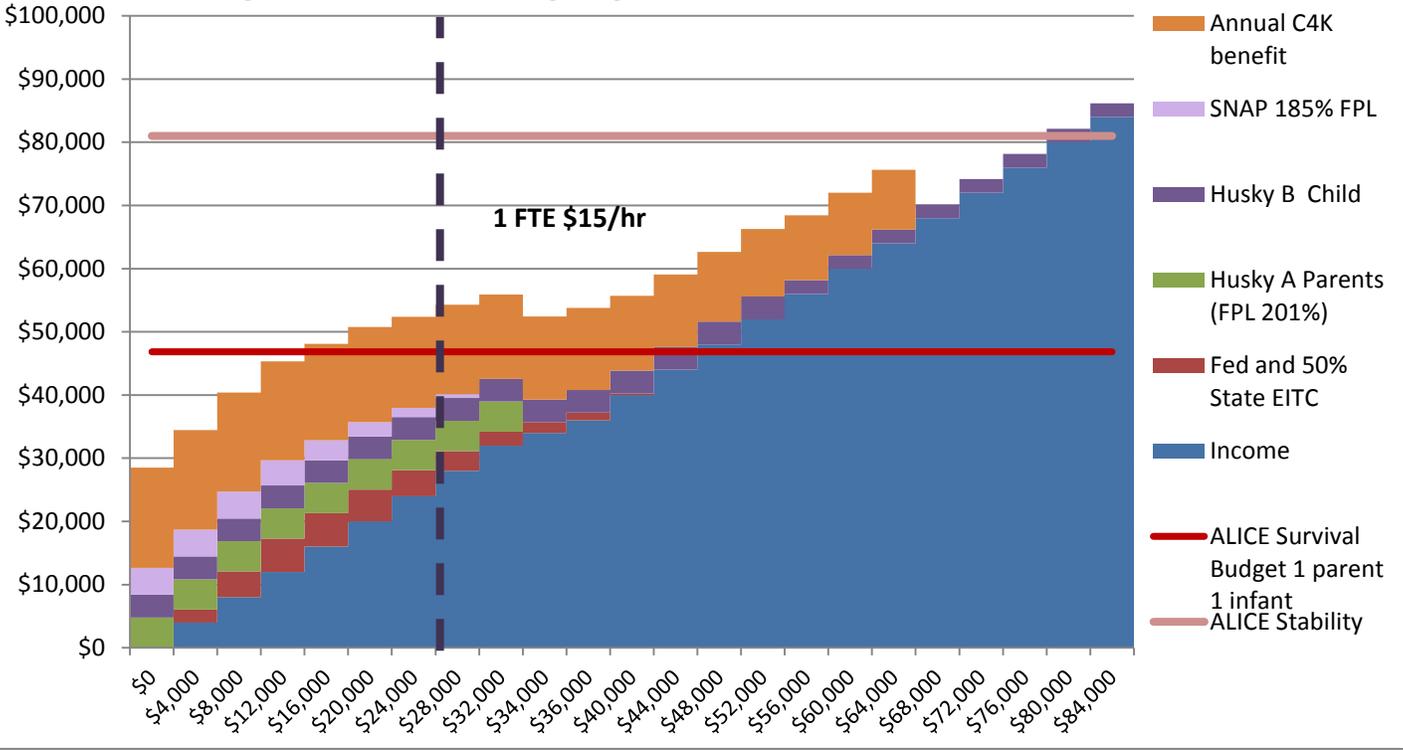
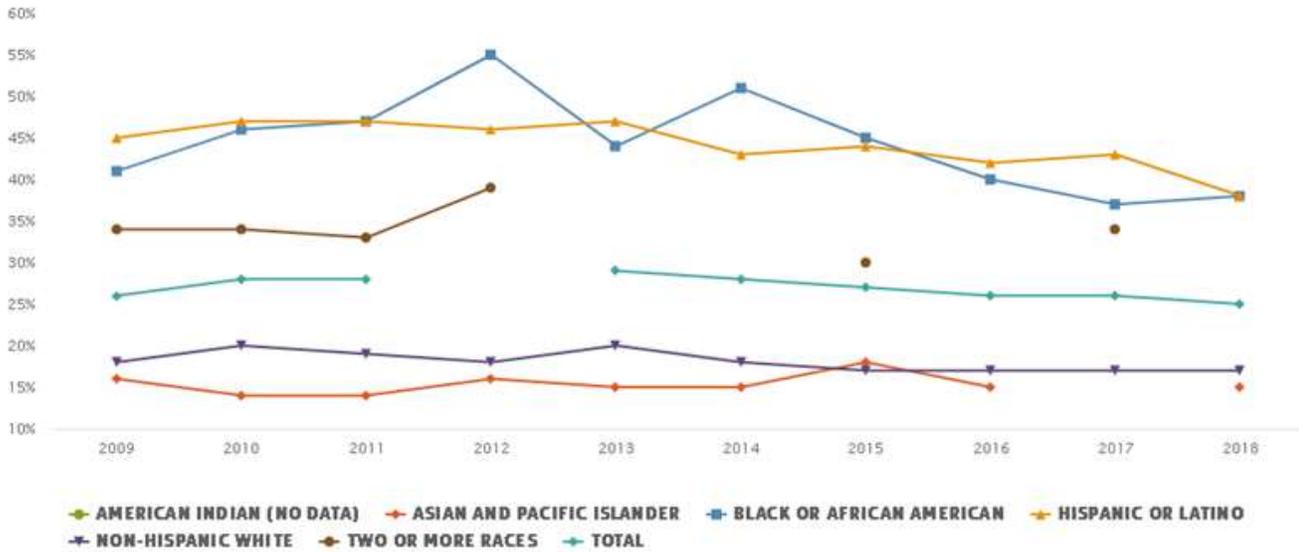


Figure 3 Trend Lines: Connecticut Children whose Parents Lack Secure Employment by Race



Children Whose Parents Lack Secure Employment By Race And Ethnicity (Percent) - 2009-2018

National KIDS COUNT
 KIDS COUNT Data Center, datacenter.kidscount.org
 A project of the Annie E. Casey Foundation

Figure 3: Connecticut United Way ALICE Report , “Asset Limited, Income Constrained and Employed.” ²

- Note that the hours worked are most likely part- time and under 30 hours per week for each job and/or parent.
- Working 40 hours for 50 wks. is used for the base calculation. This would most likely be either one parent with two jobs, or hours split between two parents.
- Raising the eligibility to 201% of FPL will give families some relief.

Family size	United Way Survival budget	Federal poverty Level 100%	Husky A eligibility at 160% FPL	Husky A eligibility at 201% FPL
Family of 2 1 adult 1infant (1 worker)	\$46,836. \$23.43 hour for 40 hours	\$16,910	\$27,560/ \$13.28 for 40 hours	33,989/ \$17.00 for 40 hours
Family of 3 2 adults 1 child (1 or 2 workers)	\$60,000 estimate	\$21,330	\$34,128 \$ 17.00 for 40 hours	\$42,873 \$21.43 for 40 hours
Family of 4 2 adults 2 children (2 workers)	\$78,000/ \$39.49 for 40 hours	\$25,750	\$41,200 \$21.00 for 40 hours	\$51,757. \$25.87 for 40 hours

² <https://alice.ctunitedway.org/>