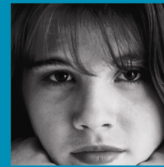
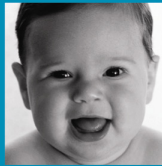


CONNECTICUT VOICES FOR CHILDREN



Cuts to HUSKY Would Cost Connecticut Dearly

May 2009

Cuts to HUSKY would undermine a pillar of Connecticut's health care infrastructure. HUSKY is an integral part of Connecticut's health care system, providing health insurance for 236,632 children and 108,736 parents and pregnant women. One in four children in the state is enrolled in HUSKY and relies on it for preventive, comprehensive health care. Proposed cuts to HUSKY – in the form of increased premiums and co-pays, reduced benefits, increased enrollment barriers, and eligibility restrictions – would weaken this infrastructure and increase the numbers of uninsured, with troubling public health implications for the state.

Cuts to HUSKY would cost jobs and set back Connecticut's economic recovery. The Educational and Health Services sector is the state's *largest* job sector and *the only major sector showing significant growth* during this recession.¹ The success of this area of the economy, which is reliant on public sector investment, would be undermined by HUSKY and Medicaid cuts. These cuts would have a ripple effect on the economy -- jeopardizing not only family health, but also the viability of suppliers, physicians, clinics, hospitals and countless others. Governor Rell's \$240 million in proposed Fiscal Year 2010 cuts² to a variety of Medicaid programs would result in an estimated loss of 4,085 Connecticut jobs and \$182.4 million in wages, along with a loss of \$506.4 million in business activity, including jobs, earnings, purchases, supplies and consumer goods for our state.³

Cuts to HUSKY would be penny wise and pound foolish, forcing Connecticut to turn away federal funds. As part of the "stimulus package," the federal government has substantially increased its share of funding for Medicaid, including HUSKY A in Connecticut. The federal government now reimburses Connecticut for nearly two-thirds of the cost of HUSKY. This means that Connecticut would have to make nearly three dollars in HUSKY cuts in

order to save one dollar of state funds. In addition, some proposed cuts, such as imposing premiums on HUSKY A members, would violate the federal rules governing the new Medicaid funds and result in a loss of over \$1 billion in federal funding for the state.

Children and parents in HUSKY are relatively inexpensive to cover, compared to other Medicaid enrollees. While children, parents, and pregnant women make up 76% of persons covered by Medicaid in Connecticut, they account for just 24% of all Medicaid spending.⁴

Finally, HUSKY cuts will result in more uninsured residents, who will forgo preventive services, leading to more emergency room visits and hospitalizations. These higher health care costs will be shifted to providers, other areas of the budget, and low-income persons themselves.

Cuts to HUSKY would put children and families at risk. Many HUSKY restrictions proposed by the Governor -- such as increased premiums, denial of eligibility for legal immigrant families, increased paperwork requirements, and others – would "save" money primarily by reducing the number of families enrolled in the program, making more children and parents uninsured and putting their health at risk. For example, when increased premiums were imposed on families with children in HUSKY B in 2004, approximately 2,900 children (almost one in four in HUSKY B) were scheduled to lose their HUSKY coverage because their parents could not afford the increased costs. Recognizing the dangerous impact of the premiums, the legislature repealed them. Connecticut should not repeat the mistakes of the past. More families are losing their jobs and their access to employer-sponsored health insurance during the economic downturn. Connecticut should step up its support for HUSKY, not undermine the well-being of struggling Connecticut families.

¹ Connecticut Voices for Children, “Connecticut’s Economy in Recession: Trends in Employment and Unemployment,” May 2009. Analyzes employment trends from December 2007 (beginning of recession) to March 2009.

² The \$240 million represents cuts to Medicaid benefits and eligibility categories, such as imposition of premiums on parents, and co-pays on parents and some children, elimination of dental services for all adults, elimination of coverage for immigrant children and pregnant women, and nursing home rate reductions. This figure does not include all Medicaid savings proposed by the Governor.

³ Estimate based on Families USA Medicaid Calculator, <http://www.familiesusa.org/issues/medicaid/other/medicaid-calculator/medicaid-calculator-states-map.html>

⁴ Kaiser Family Foundation, Distribution of Medicaid Payments by Enrollment Group & Distribution of Medicaid Enrollees by Enrollment Group, FY2006. [Statehealthfact.org](http://statehealthfact.org).