

CONNECTICUT LEGAL RIGHTS PROJECT, INC.

P. O. Box 351, Silver Street, Middletown, CT 06457
Telephone (860) 262-5030 • Fax (860) 262-5035

**TESTIMONY OF JAN VANTASSL
HUMAN SERVICES COMMITTEE
March 4, 2008**

Good afternoon. My name is Jan VanTassel, and I am the Executive Director of the Connecticut Legal Rights Project (CLRP). CLRP is a statewide non-profit agency that provides free legal services to low income adults with psychiatric disabilities on matters related to their mental health and civil rights. I am also the founder of the Keep the Promise Coalition and serve as its co-chair. I am testifying today in support of two bills on your agenda:

The first is SB-562, An Act Concerning Increase Access to the Medicaid Program for the Medically Needy Elderly and Disabled.

The second is SB-564, An Act Concerning Services for Persons with Mental Health Issues.

SUPPORT FOR SB-562

SB-562 addresses a problem that this committee acted to correct last year. That issue is the urgent deed to raise the income limit for the Medically Needy component of the Medicaid Program and reduce the reliance on spend down. It also addresses the extreme and inequitable disparity between the income limits for adults on the HUSKY Program (185% Federal Poverty Level) and the limit for elders and persons with disabilities, 60-70% of the poverty level.

Currently, low income elders and persons with disabilities who are not on the State Supplement Program, and have income over \$496.19 per month in most of the state, and \$574.86 per month in Fairfield County, are not eligible for Medicaid coverage. They can qualify for Medicaid coverage only if they accumulate enough for Medicaid coverage. They can qualify for Medicaid coverage only if they accumulate enough health care expenses within a six month period, to "spend down" to the income limit. They must complete this procedure every six months.

The documentation required for the spend down process has been burdensome for participants and administrators. However, the implementation of Medicare Part D prescription drug coverage has compounded the complexity of this process, and threatens the health care coverage and finances of thousands of elders and person with disabilities. This is because of the dangerous ripple effect caused by Medicare Part D. Let me explain this as simply as possible.

1. Elders and Persons with Disabilities who qualified for Medicaid through the spend down, including ConnPace beneficiaries, have their prescriptions covered by the New Medicaid Part D program.

- 2. The State of Connecticut protected these vulnerable persons from new fees and barriers imposed by Medicare Part D by establish a supplemental fund to cover these new expenses that they had not been required to pay before.**
- 3. Unfortunately, because of the federal funding under Medicare, they cannot count the cost of prescriptions toward the Medicaid spend down, and as a result, many will no longer qualify for the full Medicaid coverage they need.**
- 4. In addition, if they do not qualify for Medicaid or ConnPace, they will also lose the benefits of the supplemental wrap around fund.**

Connecticut saved millions of dollars from the implementation of Medicare Part D. I urge you to act to protect thousands of vulnerable seniors and persons with disabilities from being harmed by the unintended consequences of this new federal program, and establish equity in the Medicaid program's income limits. Risking the insurance coverage of thousands at a time when expanding such access is a state priority would make neither fiscal nor policy sense.

SUPPORT FOR SB-564

SB-564 would mandate that rates established by DSS and DMHAS for mental health services be based on a provider's actual costs. The inadequate payments for mental health services play a substantial role in the gridlock in our mental health system. Providers are simply unable to continue subsidizing services for publicly-funded patients.