Medicaid/HUSKY/SAGA/Charter Oak

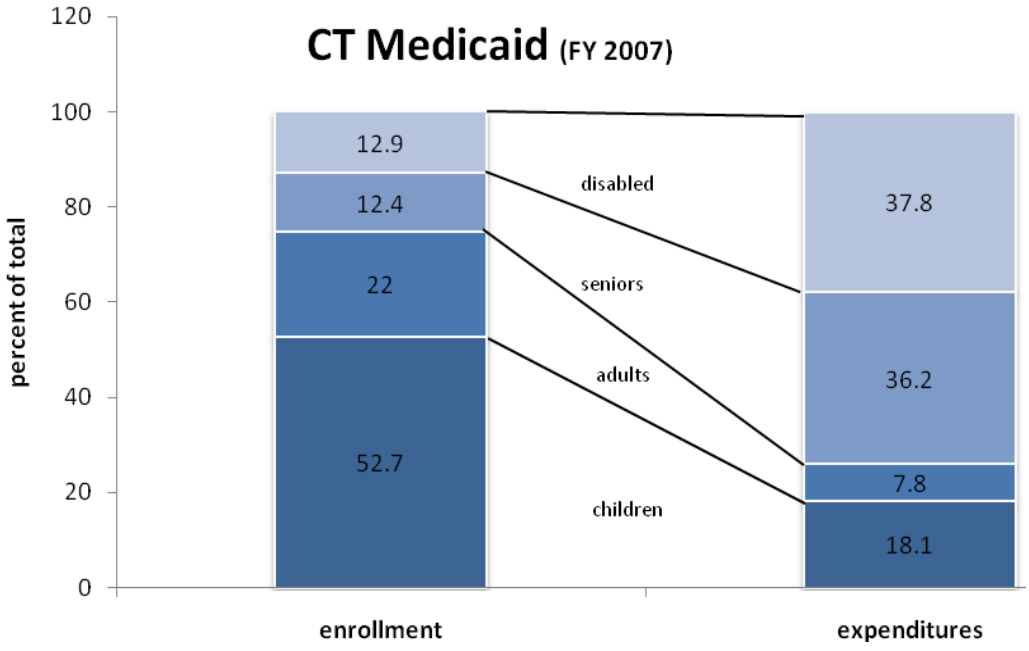
CT has four interconnected public coverage programs run by the Department of Social Services covering over half a million people, more than one in seven state residents. Together with the 200,000 state employee plan members, the state insures more Connecticut residents than any other payer.

State programs

Program	*Enrollment*[i]	*State Spending*
Medicaid total	471,921 (as of 2/1/10)	$3.9 billion (FY 09)[ii]
HUSKY (Parts A and B)[iii]	400,191 (as of 10/1/10)	$863 million (5/09 thru 4/10)[iv]
SAGA	44,753 (as of 4/1/10)	$203 million (FY 09)[v]
Charter Oak	14,579 (as of 5/1/10)	$14 million (FY10)[vi]

Medicaid is a joint federal and state partnership. The feds match every dollar CT spends on the program; the usual rate is 50% for CT, but is up over 60% through at least the end 2010 due to the recession as part of the federal stimulus package passed last year. (As of this writing, there is legislation pending before Congress to extend the higher match rate through the middle of 2011.) While the feds pay a large share of the costs of Medicaid, running the program is left to the states within general guidelines.

While the majority of Medicaid members are low income families, contrary to popular belief, the majority of Medicaid funds are spent on elderly and disabled beneficiaries. Six out of ten nursing home residents are covered by Medicaid.



Source: Kaiser State Health Facts Online

There are dozens of eligibility categories for Medicaid, but the major categories are low income parents and children, low income seniors and people with disabilities. People in any of those categories who make too much to qualify can become eligible if they have very high medical costs – called the "spend down" category. Eligibility levels and applications processes vary by category. Seniors have an asset test but families do not. Legal immigrants are covered under CT's Medicaid program, some with federal matching funds and some at full state cost.

HUSKY is the program name for state coverage for low income children and their parents. There are two parts to HUSKY – Part A includes both parents and children to 185% of the Federal Poverty Level (FPL); Part B covers only children but at any income level, however subsidies are limited to families below 300% FPL. 185% of FPL for a family of four is currently $40,793/yr; 300% is $66,150. HUSKY Part A is part of the Medicaid program and matched at the 50% (now enhanced 60% plus) level; HUSKY Part B is part of the SCHIP program and CT's costs are matched at a 65% rate. (Yes, it's really this confusing.) Families in Part A have no cost sharing; families in Part B pay copays for non-preventive services and for drugs and at higher income levels pay monthly premiums.[vii]

Since its inception, HUSKY has encountered a growing list of problems. A recent actuarial analysis commissioned by the State Comptroller found $50 million in overpayments to HMOs each year[viii]. A secret shopper survey in 2007 found that HMO provider panel lists were deeply flawed[ix]; callers were not able to schedule appointments with one in four providers listed by the HMOs Unfortunately that study has not been repeated and the administration has no intention to revisit the startling results. Also in 2007, barely half of HUSKY children received checkups and over one in ten did not get any health care at all from the program[x].

Once enrolled in Medicaid or HUSKY, it can be extremely difficult to find a provider willing to provide care. Only about 50% of CT physicians participate in CT's Medicaid program.[xi] Medicaid fees paid to physicians and hospitals are much lower than commercial or Medicare rates[xii]. However, CT provider participation rates are lower than in states with worse Medicaid rates. Providers complain of administrative hassles and a hostile manner from the administration and from HUSKY HMOs.[xiii]

In contrast to provider participation, the Medicaid/HUSKY benefit package is comprehensive. Covered services include hospital and outpatient care, preventive care, skilled nursing facilities, hospice, home health care, transportation, prescriptions, family planning, dental, vision and behavioral health care.[xiv]

State Administered General Assistance (SAGA) was CT's self-funded program to cover very low income adults who do not qualify for Medicare or Medicaid. The SAGA program transitioned to Medicaid coverage this summer under an option available to a limited number of states, including CT, through the new national health reform act. This option is expected to save CT at least $53 million in state funds over the next 15 months. SAGA is limited to state residents with incomes below $506 to $611/month depending on the county they live in. Before transitioning to Medicaid, it included a $1,000 asset limit, but that no longer applies since the transition. SAGA coverage is similar to Medicaid and administered through Community Health Network, the HMO based on CT's community health centers. Very few providers participate in SAGA and virtually all care is provided by community health centers.

The **Charter Oak Plan** was created by Governor Rell in 2008 to provide care to CT's uninsured. It is open to people who have been uninsured for six months or more and is run through the three HUSKY HMOs. Premiums range from $250 to $300/month with subsidies for people with incomes below 300% FPL ($32,490 for a single person). Over 90% of members are subsidized. Members pay copays and premiums at all income levels. Very few providers participate in Charter Oak. Prescriptions are covered only to $7,500/year and all care is capped at $100,000/year and $1 million/lifetime. There is no dental or vision coverage in Charter Oak and there are limits on behavioral health care. The program has reportedly attracted higher cost patients.[xv]

Charter Oak's future is unclear given that in 2014 national reform will enroll all state residents, regardless of family circumstances, up to 133% FPL into Medicaid. SustiNet, if implemented, will provide coverage to most uninsured residents as well.

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[i] DSS reports to Medicaid Managed Care Council
[ii] Office of State Comptroller (OSC)
[iii] HUSKY Part A is included in Medicaid lines; HUSKY Part B is a smaller separate program under the federal SCHIP program. The two programs are marketed and administered together through the same HMOs; eligibility varies only based on income.
[iv] DSS, Comprehensive Financial Status Reports
[v] OSC
[vi] Appropriated, Office of Fiscal Analysis budget Book 2009
[vii] Medicaid Managed Care Council reports
[viii] Comptroller's Audit of HUSKY HMO rates, Milliman, May 2009.
[ix] Mystery Shopper Project, CT DSS, Mercer, October 2006.
[x] How is the HUSKY Program Performing?, CT Voices for Children, March 2009.
[xi] CT Health Policy Project provider survey(2007-09), unpublished as yet
[xii] S. Zuckerman, et. al., Trends in Medicaid Physician Fees, 2003-2008, Health Affairs- web exclusive, 4/28/09, w510-519.
[xiii] CTHPP study unpublished yet.
[xiv] DSS
[xv] Medicaid Managed Care Council reports