

Governor's Budget Negotiations YES Options

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To further budget negotiations and to address rising deficit estimates since her original budget proposal in February, the Governor has released a set of additional proposed cuts totaling \$667 million for 2009/10 and \$787 million for 2010/11. The proposed cuts include:

Savings ¹		Cut	How
2009/10	2010/11		
\$ 50.1 m (gross) \$19.2 m (net)	\$51.8 m (gross) \$22.7 m (net)	HUSKY managed care organization rates	These savings are based on an audit by the State Comptroller which found that current HUSKY HMO rates could be reduced by 5 to 6% to come into line with other states' programs. The state must re-negotiate HUSKY HMO contracts soon to carve out clinic payments and can include these savings into the new rates.
8.9 m	11.6 m	Cut Medicaid provider rates by 1%	HMOs are excluded from this cut.
2.1 m	3.5 m	Reduce and cap Charter Oak subsidies	Increase premiums for subsidized coverage between \$18.94/mon for consumers under 150% FPL to \$5.73/mon for those 235 to 300% FPL. These subsidies are capped – any premium increases would be completely borne by consumers.
1 m	1 m	New HUSKY B premiums for children	For working families 186 to 236% FPL -- monthly \$25/child and \$30 family max
?	?	Raise copays for HUSKY B children	Increase copayments to equal new state employee plan levels
1.7 m	2 m	Cut eyeglasses for adults	Coverage for ophthalmologists would continue, so patients can get prescriptions, just not glasses
4.2 m	5 m	Require prior authorization for some dental services	This assumes the elimination of dental care for adults in the Governor's original proposed budget
10.9 m	10.9 m	Charges for home care patients	Charge clients of CT Home Care Program 15% of their care, avg. \$150/mon
3.5 m	3.5 m	Cuts to community health centers	Cuts state grant funding in half, mitigated by federal stimulus funding
10.7 m	26.5 m	Hire an ASO to manage services for Aged, Blind &	Hire a company to coordinate care and remove duplicate services, mandatory enrollment, assumes long term care costs will drop by 7%

¹ Unless noted, all cuts are net savings to the state incorporating any reductions in federal matching funds.

		Disabled consumers	
7.5 m	7.5 m	Cut non-entitlement programs in block grants	Includes elderly health screenings, teen pregnancy prevention, and senior volunteer programs.
6.8 m	38.6 m	Implement SAGA waiver	Apply for federal matching funds for SAGA, to begin 1/1/10, would increase hospital rates and remove limits on vision care and transportation, prospects for federal approval not clear
1 m	1 m	Reduce DSH	Reduces hospital payments to cover the uninsured, underinsured, and Medicaid underpayments
500,000	500,000	Eliminate HUSKY outreach	
149,000	143,226	Cut Healthy Start 10%	Case management and patient education for high risk pregnant women
0	10.2 m	Establish SNPs	Create Special Needs Plans for dual eligibles to manage care, similar to Appropriations proposal, but expect less savings
2.6 m	6 m	Restrict interim rates for some nursing homes	
7.3 m	8.4 m	Reduce nursing home administration	Cuts administrative caps by 10%
7.3 m	8.4 m	Improve Medicaid fraud detection	Add 3 staff in Medicaid Fraud unit of AG's office
455,072	455,072	Eliminate needle exchange programs	Programs now in New Haven, Hartford, Bridgeport, Danbury and Stamford
184,638	184,638	AIDS service cuts	Eliminate community supports for persons with AIDS
379,000	379,000	Create a TB Medicaid coverage group	Would secure federal matching funds for care given to patients with tuberculosis
150,000	150,000	Cut loan repayment program	Forgives educational debt of primary care clinicians and nurses who care for underserved populations, may be mitigated by federal stimulus funding and carry forward funds
0	62 m	Self-insure state employee plan	Unlike Health Care Partnership bill, this would not begin until March 2011

The Governor has also proposed to rescind some of her earlier cuts to secure federal stimulus funding. Those additions include:

Addition ²		Item	How
2009/10	2010/11		
\$3.4 m	\$4.1 m	Premiums on HUSKY parents	Parents and relative caregivers of HUSKY A children are also eligible for coverage with no premiums
800,000	900,000	Self-declaration of income in HUSKY	Administrative simplification both for families and for state workers

² Unless noted, all cuts are net savings to the state incorporating any reductions in federal matching funds.

For more information:

Budget Negotiations – Yes Options – Fund Totals, Governor’s Office, May 28, 2009,
http://www.ct.gov/governorrell/lib/governorrell/budgetnegotiationsreport_may28_02.16pm_rev.pdf

2009 Legislative Budget Proposals on Health, CT Health Policy Project, April 3, 2009,
http://www.cthealthpolicy.org/pdfs/approps_budget_09.pdf

Governor’s 2009 Budget Proposal Health Impact, CT Health Policy Project, February 4, 2009, http://www.cthealthpolicy.org/pdfs/gov_budget_impact.pdf

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