

FACTS about State Basic Health Program

A State Basic Health Program could enable Connecticut to offer 75,000 – 100,000 people affordable, good quality health care at no cost to the state.

What is the State Basic Health Program (SBHP)?

- Option in the federal Affordable Care Act allowing states to establish a health care program for adults with incomes between 133% and 200% of the federal poverty level (fpl).
- Funded by the federal government with the money that would otherwise be used to provide subsidies to these low-income participants in the Exchange.
If Connecticut established a SBHP, eligible individuals would not enter the Health Insurance Exchange in 2014. Instead, the State Basic Health Program would provide health care coverage for these individuals.

Who would be eligible?

- Residents under age 65 with family income between 133% and 200% fpl (\$14,856 - \$22,340 for one person) who:
 - are not eligible for Medicaid or Medicare
 - do not have access to affordable employer-sponsored coverage.

Connecticut's State Basic Health Program should mirror Connecticut's Medicaid program.

States have great flexibility in designing their State Basic Health Program. To maximize benefits to families and to the state, Connecticut's State Basic Health Program should mirror the benefits and cost-sharing in Connecticut's Medicaid programs and should share eligibility and enrollment systems with the Medicaid program.

- Medicaid offers the comprehensive benefit package that people at this income level need and will not be able to afford in the Exchange. Importantly, Medicaid offers dental and coordinated behavioral health coverage.
- There will be more continuity of care if provider networks and benefits are the same as Medicaid.
- Adults with children in HUSKY will be in the same network as their children. Studies show that more children are covered by health insurance when their parents are covered.
- If the program mirrors Medicaid, HUSKY parents with incomes between 133% and 185% fpl, who are currently covered by Medicaid, could be covered in this program with no loss of benefits or increase in cost-sharing. **The state would save about \$48 million**

in state Medicaid costs while continuing Medicaid-like coverage for 15,000 – 20,000 HUSKY adults.

The State Basic Health Program can make coverage affordable for individuals and families.

Cost-sharing for participants can be lower in the State Basic Health Program than in the Exchange. Costs to participants in the Exchange will be unaffordable to people in high-cost states like Connecticut, even with the subsidies offered by the federal government. The Mercer study for the Connecticut Health Insurance Exchange Board estimates that 50% of eligible people with incomes between 133% and 200% fpl (37,500 people) will not enter the Exchange and will be uninsured.

The State Basic Health Program can benefit the state.

- 75,000 – 100,000 people covered by affordable, good quality health insurance at no cost to the state.
- Potential savings in administrative costs if eligibility and enrollment systems are the same as Medicaid. There may also be less “churning” (individuals switching from one coverage plan to another) if there is one system covering everyone with income up to 200% fpl. Estimates are that within one year, 50% of adults with incomes below 200% fpl will shift between eligibility for Medicaid at 133% fpl and eligibility for the State Basic Health Program (or the Exchange, in the absence of a SBHP).

The Legislature needs to adopt a State Basic Health Program *this session*.

- Planners of the Health Insurance Exchange need to know who will be eligible for the Exchange and who will be in a SBHP as they are planning the Exchange this year.
- Residents with incomes up to 200% fpl need affordable, good quality health care.

Advocacy for Patients with Chronic Illness
Bridgeport Child Advocacy Coalition
Caring Families Coalition
Christian Activities Council
Community Health Center Association of Connecticut
Connecticut AIDS Resource Coalition
Connecticut Alliance for Basic Human Needs
Connecticut Association for Human Services
Connecticut Center for a New Economy
Connecticut Conference of the United Church of Christ
Connecticut Legal Rights Project
Connecticut Legal Services
Connecticut Voices for Children
Legal Assistance Resource Center of CT
National Association of Social Workers/Connecticut Chapter
New Haven Legal Assistance Association
Permanent Commission on the Status of Women
U.S. Pain Foundation
United Action CT

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