

Health Care For All FY 2005 House 1A Budget Analysis

MassHealth – The Governor’s budget does not include any major further reductions in MassHealth benefits or eligibility, however many line items have been significantly underfunded, including the MassHealth HIV line which was cut from \$14.9M in FY04 to \$6.1M. The bulk of the cuts, estimated at \$150 million, reduce payment levels to providers, particularly hospitals. Overall, the budget increases spending by approximately 8%, while the Administration forecasts maintenance will require an increase of 10.5%.

Immigrants

In August 2003, approximately 10,000 legally residing immigrants were eliminated from the MassHealth program. Without access to preventive and primary care, people delay care and rely completely on the Free Care Pool for the medical treatment they receive. Further, most emergency departments are not designed to provide care to people who have complex medical conditions, such as cancer, diabetes, kidney ailments. The Free Care Pool has seen a drastic increase in demand due to this and other cuts.

Requested Action: Increase line items 4000-0430 and 4000-0860 by approximately \$15 million in total. Insert restoration language to amend law to authorize MassHealth to cover these immigrants.

MassHealth HIV

This program provides low-income people who have tested HIV-positive access to the medical treatment they need to stay healthy. Getting people with HIV into treatment is a known method of reducing the transmission of AIDS. Last year’s budget reduced eligibility to this program from 200% fpl (\$17,960/individual) to 133% fpl (\$11,943/individual). Due to cuts in outreach efforts, the enrollment in this program has grown very slowly. Still, the Governor’s proposal significantly underfunds the program.

Requested Action: Increase line item 4000-1400 to \$8,400,000, and restore eligibility to 200% fpl.

Financial Analysis:

FY2004 Appropriation:	\$14,962,424
FY2005 House 1A:	\$6,143,743
FY2005 Need:	\$8,400,000
Projected Shortfall:	\$2,256,257

Prescription Advantage

This vital program provides affordable drug insurance to seniors and low-income people with disabilities. Premiums and cost-sharing are based on the enrollee’s income. For many people this program is their only option to obtain life-saving medications. Current enrollment is approximately 84,500.

Requested Action: Increase line item 9110-1455 to \$110 - \$122 million. Strike House 1A, Outside Section 385. Add language preserving current benefit levels and requiring an open enrollment period in the fall of 2004.

Financial Analysis:

FY2004 Appropriation:	\$96,372,765
FY2005 House 1A:	\$96,372,765
FY2005 Need:	\$110,000,000 - \$122,000,000
Projected Shortfall:	\$13,627,235 - \$25,627,235

Enrollment Caps

While the Administration has said that they will not implement enrollment caps in this fiscal year, their budget includes continued authorization to implement caps. These caps were approved in late January by the federal government. The caps would affect people who are enrolled in: CommonHealth, for working and non-working people with disabilities, and Family Assistance, which includes people with HIV and adults in the Insurance Partnership program. These caps are counterproductive and poor health policy.

Providing anti-viral drugs to HIV-positive people is substantially cheaper than waiting until their disease progresses into full-blown AIDS, and prevents the spread of HIV to others. For CommonHealth recipients, imposing an enrollment cap will only encourage disabled people to stop working so that they qualify for MassHealth Standard. Under CommonHealth, working disabled pay premiums, taxes, and often receive the benefits of employee-sponsored coverage. All this would be lost to people shut out of the program due to caps. Capping the Family Assistance program also hurts low-income working people, who need help to afford their employer's coverage. The state would lose the financial savings coming from leveraging employer contributions to care. All of the cuts would increase the burden on the Uncompensated Care Pool, as well.

Requested Action: Strike House 1A, Outside Section 387. Repeal Outside Section 632, FY2004 budget.

EAEDC

This program for seniors, children and people with disabilities is subject to reduced eligibility under the Governor's budget, including eliminating certain legal immigrants and redefining disability. DMA has estimated that approximately 1800 legal immigrants will lose both health coverage and cash benefits from this change. There are approximately 2700 people with disabilities who will be able to maintain their health coverage, but will lose cash benefits from this program. While we are glad that these 2700 people will continue to be eligible for health coverage, there will be many people with disabilities who will not be able to access health coverage through this program.

Requested Action: Strike House 1A, Outside Sections 187, 188

Personal Care Attendants

The budget includes an outside section allowing the administration to redefine standards for personal care attendant services. DMA would like to make it much more difficult for disabled people to access services. The language is completely open-ended and would evade the normal review process.

Requested Action: Strike House 1A, Outside Section 195.

Healthy Start

This program, which provides prenatal health coverage to pregnant women, was drastically underfunded in the Governor's budget. This was surprising, since the program received federal approval for 65% federal reimbursement last year. The children will be MassHealth-eligible upon birth, so it is sound health policy to provide effective prenatal care to these mothers. Furthermore, an outside section in the budget authorizes DMA to make changes to the program in order to keep from spending more money than is appropriated. Preliminary analysis estimates that approximately 1650 women will need but not be able to access this health coverage program.

Requested Action: Increase line item 4000-0895 to \$12.8 million. Strike House 1A, Outside Section 354, which grants EOHHS authority to cut this program as necessary to stay within appropriation.

Financial Analysis:

FY2004 Appropriation:	\$6,213,532
FY2005 House 1A:	\$6,213,532
FY2005 Need:	\$12,800,000
Projected Shortfall:	\$6,586,468

Children’s Medical Security Plan

This program serves children who do not qualify for MassHealth. Families participating in this program were subject to new and increased premiums passed in last year’s budget and currently over 10,000 children are on a waiting list for coverage. This program was also underfunded in the Governor’s proposal and it is estimated that approximately 14,000 children will need, but be unable to access coverage in this program.

Requested Action: Increase line item 4000-0990 to \$19 million. Add restoration language from Koutoujian/Moore bill.

Financial Analysis:

FY2004 Appropriation:	\$11,874,000
FY2005 House 1A:	\$11,874,000
FY2005 Need:	\$19,000,000
Projected Shortfall:	\$7,126,000

Dedicated Health Funds

The Governor’s proposal directs all revenue from the Children’s and Seniors’ Health Care Assistance Fund (1996 tobacco tax), the revenue into the Master Settlement Agreement (tobacco settlement money), and the FY 2004 increased FMAP (Federal Medicaid reimbursements) funds to the General Fund, to be used for general purposes. These monies were intended to fund health programs exclusively. The Governor’s provisions break the promise made when these funds were established.

Action Requested: Strike House 1A, Outside Sections 59, 65, 312.

Free Care Pool

The Pool provisions make deep cuts in amounts available to hospitals to reimburse their uncompensated care costs. Additionally, we are extremely concerned about implementation of the proposal to restrict the services available in hospitals through the Uncompensated Care Pool.

Department of Public Health

Under the Governor’s budget, public health programs will face an overall cut of about 10%. This includes eliminating funding for school health services, prostate cancer prevention, and some community health center programs. Further, the budget makes significant cuts to programs that have served as national models for their proven success, like the Teenage Pregnancy Prevention Program.

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