



Covered Connecticut: Origins, Goals, Opportunities, and Concerns

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[Covered Connecticut](#) is a new program to cover uninsured state residents with no-cost health insurance coverage through Access Health CT, Connecticut’s health insurance exchange. The program leverages federal subsidies, some of which are temporary, and an anticipated Medicaid waiver to offer state residents combined with state funds. Some services, missing from exchange plans, will be provided by Medicaid. Stakeholders from states with similar existing programs offered advice from their experience. Connecticut stakeholders have been generally positive about the program but have raised several concerns that must be addressed to ensure the program is successful.

History

During the 2020 campaign, lowering health insurance costs was a [top concern of voters](#). Candidates heard that coverage in Access Health CT, Connecticut’s health insurance exchange was not affordable for many uninsured and small businesses. At the beginning of the 2021 legislative session, efforts to subsidize Access Health CT coverage were to be funded by a state tax on premiums in the private market. The insurance industry was strongly opposed to the premium tax, which would have increased premiums across the state.

According to reports from people involved in Covered Connecticut’s creation, it was a response to the calls for more Access Health CT affordable coverage and calls for restoring 2015 parent and caretaker relative [eligibility cuts to HUSKY](#), Connecticut’s Medicaid program. Reportedly, restoring the HUSKY cuts would have cost the state about \$20 million in state funds. Staff in Governor Lamont’s office wanted to explore options to cover more state residents with the same amount of state funds without a premium tax.

Covered Connecticut is designed to leverage the enhanced [health insurance exchange premium subsidies](#) in the federal American Rescue Plan Act of 2021 (ARP), passed to address the impact of the COVID pandemic. Those subsidies are scheduled to end after 2022, but there are currently efforts in Congress to make them permanent. The new state premium tax did not pass.

Covered Connecticut was designed to both “mirror” Massachusetts’ [similar program](#) but also to be a “look-alike” to HUSKY. [Similar programs in California and New Jersey](#) also informed the development of Covered Connecticut.

Covered Connecticut was designed and will be administered by the Office of Health Strategy (OHS), the Department of Social Services (DSS), the Connecticut Insurance Department (CID), and Access Health CT, Connecticut’s health insurance exchange. It is codified in [Public Act 21-2](#). The legislature’s [Office of Fiscal Analysis estimates](#) the program will cost \$8 million in state funds in Fiscal Year 2022 and \$17.3 million in Fiscal Year 2023. Under the law, the state will submit a Medicaid 1115 waiver to the federal Centers for Medicare and Medicaid Services to receive Medicaid matching funds for Covered Connecticut’s premium subsidies and costs of the wraparound services. The cost estimates assume 50% federal reimbursement under the Medicaid 1115 waiver and continuation of ARP subsidies. If the ARP subsidies are not extended beyond 2022, the costs of the program are estimated to be 10% higher for Fiscal Year 2023.

Under the law, OHS must apply for a [Medicaid Section 1115 waiver](#) for federal reimbursement of state costs for Covered Connecticut. Policymakers are optimistic about the application’s approval. OHS has also been authorized to apply for an [Affordable Care Act \(ACA\) Section 1332 waiver](#), “to advance the purpose of the Covered Connecticut program.” OHS must get approval from the legislative Appropriations and Human Services committees for the Medicaid 1115 waiver and from those committees plus the Insurance and Real Estate Committee for the ACA Section 1332 waiver. The committees must hold public hearings on the draft waiver applications. Every six months, OHS must report to the Appropriations, Human Services, and Insurance and Real Estate committees describing the program’s operations, financing, and progress.

Program structure

Covered Connecticut provides zero-cost Silver-level health insurance coverage in Access Health CT. The program covers adults, ages 18 to 64 years, not eligible for HUSKY, with household incomes up to [175% of the Federal Poverty Level](#) – currently \$22,330 for single adults, \$38,010 for a family of three. Applicants must be eligible for and take 100% of federal subsidies through Access Health CT. This eligibility excludes¹ undocumented immigrants, DACA recipients, some people offered employer sponsored coverage, and veterans receiving care through the Veteran’s Administration. There are currently two Silver-level plans offered by Access Health CT, one each from insurers Anthem and ConnectiCare. As for all Access Health CT members, if incomes increase during the year, they [may have to pay back some of the subsidies](#) when they file their taxes.

Under the law, the state will cover all premiums and cost-sharing for Covered Connecticut members by reimbursing insurers. Dental and non-emergency medical transportation, which are not covered by AccessHealthCT plans, will be provided at no cost to members starting July 1, 2022, by DSS through a new Medicaid wraparound benefit.

Covered Connecticut began enrolling eligible parents and caretakers of HUSKY children on July 1, 2021. Enrollment of other eligible adults and wraparound coverage for dental care and non-emergency

¹ Massachusetts Law Reform Institute letter to Daniel Tsai, Assistant Secretary for MassHealth, August 21, 2017; [immigration Status and the Marketplace](#), HealthCare.gov, accessed September 9, 2021.

transportation are expected to begin July 1, 2022. People can apply for Covered Connecticut through Access Health CT.

Advice from other states

In interviews, stakeholders from states with premium assistance programs like Covered Connecticut offered advice based on their experiences.

- *Churn* – [People often move](#) between Medicaid and the premium assistance program as incomes fluctuate. As programs grow larger, churn is magnified. Stakeholders strongly recommended ensuring processes to monitor churn and to ensure members are in the right program as incomes change. Relying only on members to report income and eligibility changes is not sufficient.
- *Beware narrow networks* – Stakeholders urged Covered Connecticut to manage networks to ensure access. Private plans available to low-income purchasers in Connecticut tend to have less robust networks of participating providers than our state’s Medicaid program. This can pose a serious challenge for people with disabilities and underserved communities.
- *Make clear that Covered Connecticut is not Medicaid* – As they are both state programs, but with large differences, it is critical that Covered Connecticut members understand that they are not covered by Medicaid. Stakeholders reinforced the need for separate branding.
- *Ensure that members do not receive surprise bills* – As commercial plans often have narrow networks, former Medicaid members may not understand the consequences of using out-of-network providers or how to deal with a bill if they get one.
- *Monitor the impact of closed formularies* – As former Medicaid and uninsured members may not be aware that health plans usually do not cover all drugs, Covered Connecticut should monitor for missed medications, especially for members with chronic diseases or behavioral health issues. Ensure a seamless process for both members and providers to authorize off-formulary medications when necessary.
- *Ensure coordination between private plans and wraparound services* – This is a particular concern for non-emergency transportation.

Concerns from Connecticut stakeholders

Most Connecticut stakeholders contacted for this brief were cautiously optimistic about Covered Connecticut. However, there are concerns.

Since the exit of managed care companies, HUSKY has built a robust panel of providers and services designed to meet the needs of low-income Connecticut residents. **Covered Connecticut is not a comprehensive alternative to HUSKY** for parents who lost coverage. It will not cover [all services available under Medicaid](#). Missing services include: vision care (eyeglasses); hearing aids; most home care services; comprehensive drug coverage; Intensive Care Management (ICM); transitional medical assistance; protective rights to services during resolution of a grievance; and comprehensive access to behavioral health services.

There are serious **concerns about access to behavioral health care** for Covered Connecticut members. Access to behavioral health care in Connecticut is often better under HUSKY than private insurance. Beacon Health*, Medicaid’s behavioral health administrative services organization, has recruited a robust provider panel and has extensive data analytics and monitoring capacity to ensure members are accessing the care they need.

Applicants must be fully informed that they are subject to tax penalties under the ACA if their final income for the year is higher than they estimated, as happens in other states’ premium assistance programs. To enroll in Covered Connecticut, [members must](#) “Use 100% of Advanced Premium Tax Credits (APTCs) and Cost Sharing Reductions (CSRs) available to you, along with the expanded American Rescue Plan (ARP) financial assistance.” This is very different than HUSKY; many members will be unaware and unprepared to pay the penalty. This precludes an option used by consumers to avoid having a large bill at tax time by choosing a lower subsidy level. As Connecticut’s economy and uninsured rate rebound from the COVID recession, this provision could affect many Covered Connecticut members. Massachusetts and Vermont emphasize notifying the exchange as soon as incomes change and include clear language about the penalty in the application.²

There are grave concerns across states about the future of premium assistance programs if ARP subsidies end. Building support by engaging all stakeholders will be key to sustaining Covered Connecticut.

There are significant **privacy concerns** with Covered Connecticut that do not apply to Medicaid. Private health plans and their vendors often capture and sell sensitive, personal information from customers. Medicaid does not do this. It is unclear who this information will be shared with, how it will be used, if consumers will be notified that their information is being sold, whether they can opt-out, and if there is any monitoring to protect consumers. It is very unlikely that OHS will protect consumers’ private information. CONNIE, OHS’s health insurance exchange covering every state resident, intends to [sell personal, medical information](#) to, at least, health systems and insurers without affirmative consent or notice.

Churn is a [significant problem for lower income households](#). Variable incomes, common for low-income workers, and eligibility cliffs in both HUSKY and Covered Connecticut mean that people will move between programs often. Other states with premium assistance programs have emphasized this as an ongoing problem.

There are also widespread concerns that Covered Connecticut members will not have access to the **Intensive Care Management programs and quality/access monitoring** that exist under HUSKY. ICM programs offer robust, comprehensive coordination and connections to vital social services for people with complex medical needs or members at-risk of costly health problems. ICM services are provided by [Community Health Network of CT](#) and [Beacon Health](#), HUSKY’s administrative services organizations, for medical and behavioral health care respectively. Both have been very successful in

² Legal experts advise that the federal tax penalty is not waivable under a Medicaid Section 1115 waiver but may be in an ACA Section 1332 waiver.

both improving the quality of care and controlling costs. Access to HUSKY's two ICM programs could both improve care for Covered Connecticut members, help manage chronic conditions, prevent illness, save money for health plans, and save money by preventing members from qualifying for HUSKY due to reductions in income or high medical bills.

Private **health plans' closed formularies raise concerns** about access to critical medications. It will be critical to monitor for Covered Connecticut member problems accessing necessary medications and adjust policies and formularies as necessary.

It is unclear how the wraparound services will be coordinated with care under the health plans. Covered Connecticut has a lot of moving parts. This is a particular concern for non-emergency medical transportation.

Monitoring access or quality in private health plans is minimal compared to HUSKY. Monitoring for network capacity, gaps in care, underservice, adverse selection, the need for HUSKY services not covered in the program, and utilization patterns are critical. Patient surveys should assess access to care, and whether misperceptions about cost-sharing are deterring people from seeking care.

Concerns have been raised about the usability and transparency of **Access Health CT's interface**. At renewal on a confusing interface, Covered Connecticut consumers may be shifted to a plan that is not free and not know that they are still eligible for no-cost coverage.

Concerns have been raised about outreach, particularly engaging underserved communities in a state-sponsored program. Challenges with COVID vaccination have highlighted mistrust of government programs and medical care in low-income communities, where the need for Covered Connecticut is high. HUSKY is widely known, understood, and attractive to state residents. Covered Connecticut is unknown.

There are **concerns about how Covered Connecticut was developed**. Critical stakeholders were not included in planning, but briefed later when program design was set and, in some cases, already operational. Successful programs are generally designed in an inclusive, open process to ensure they will work, and to invest partners in long term success. Covered Connecticut is entirely a creature of the administration and insurance companies. To improve outreach and enrollment as well as meet future challenges, including funding shortfalls, it is critical that the administration engage stakeholders to build support now and into the future.

Advocates are concerned that Covered Connecticut is a first step to reintroduce Managed Care Organizations into Connecticut's successful HUSKY program. Since the private health plans left HUSKY in 2012, the state has [saved billions of tax dollars](#), access to care is up, provider participation in the program is far better, transparency has increased, and the [quality of care has improved](#). A return to private managed care plans would be a serious mistake for both HUSKY members and Connecticut taxpayers.

What's Next?

It will be important to monitor Covered Connecticut – enrollment, access to care, quality, utilization, spending, and patient experience. Challenges are inevitable; policies must be adjusted when necessary to ensure the goals of the program are met. Required reports to the legislature should include this information.

Financial support for the program is uncertain. The state must have a plan to continue the commitment to Covered Connecticut members if Congress does not continue ARP subsidies and/or when the state's budget returns to a deficit.

Methodology

To understand Covered Connecticut, policymakers, state administrators, brokers, legislators, and providers from Connecticut were contacted. To solicit best practices from other states with similar premium assistance programs through health insurance exchanges, interviews were held with providers, state officials, and advocates in Massachusetts, Arkansas, and Vermont and from national organizations.