December 1, 2017

The Honorable Martin M. Looney  The Honorable Joe Aresimowicz
President Pro Tempore  Speaker of the House

The Honorable Bob Duff  The Honorable Matt Ritter
Senate Majority Leader  House Majority Leader

The Honorable Len Fasano  The Honorable Themis Klarides
Senate Republican President Pro Tempore  House Minority Leader

Dear Legislative Leaders:

As you may know, Congress has yet to reauthorize much-needed funding for the beneficial Children’s Health Insurance Program (CHIP), also known in Connecticut as HUSKY B, beyond September 30, 2017. The program provides essential medical coverage to over 17,000 children and teens in low-income households across our state and Congressional apathy has risked that coverage as available federal funding is projected to support CHIP coverage and services only through January 2018.

Given the uncertainty of Congressional action to extend the program, it is incumbent upon the state to warn those who could be potentially affected before they lose coverage. Consequently, the Department of Social Services (DSS), the administrator of the HUSKY B program, must send notices to parents of children enrolled in CHIP beginning mid-December 2017. An initial notice will advise parents that HUSKY B coverage in Connecticut may end on January 31, 2018, if Congress fails to act to extend the program, and that DSS will assess impacted children for eligibility for Medicaid or an Access Health CT qualified health plan before coverage is terminated. A second communication will be sent beginning in late December 2017 through early January 2018, to notify individuals of the eligibility results, including instructions on how to maintain health care coverage if applicable. This will undoubtedly be disruptive and alarming to those receiving notices – and then possibly losing coverage – and we should all be prepared for the fallout.

Further, there are also state budget implications due to the inaction in Washington. Because Connecticut covers children above 138% of the federal poverty level under HUSKY A, federal CHIP funding is also used to claim additional matching funds for these children. Connecticut currently enjoys an enhanced reimbursement rate of 88% under CHIP, which reduces state funding requirements under Medicaid.
This increase in federal reimbursement from 50% to 88% for certain Medicaid-eligible children, worth about $40 million annually, is at risk if Congress does not extend CHIP. Current projections indicate that federal funding will support this component of the program through December 2017.

Stated simply, if Congress does not extend CHIP, Connecticut stands to lose about $37 million annually in regular CHIP funding for health care coverage for over 17,000 children and youth, and an additional $40 million annually in extra federal support for certain children covered under Medicaid.

While I am hopeful that Congress will act soon to fully reauthorize – and fund – this vital program, I wanted you to be aware of the current situation and the need to notify the families of over 17,000 children and youth of the potential loss of health care coverage if there is no action by Congress.

Sincerely,

Dannel P. Malloy
Governor