

CONNECTICUT FIRST IN NATION TO EXPAND MEDICAID COVERAGE TO NEW GROUPS UNDER THE AFFORDABLE CARE ACT

[U.S. Department of Health and Human Services news release, June 21, 2010]

Governor Rell & Secretary Sebelius Highlight Connecticut's Commitment to Coverage

Connecticut is the first state in the nation to permanently add low-income adults to its Medicaid program under the new Affordable Care Act (ACA), Health and Human Services Secretary Kathleen Sebelius announced today.

"We applaud Connecticut's speedy action to expand coverage for its lowest-income residents who will now have reliable access to affordable, quality care as a result of the incentives contained in the Affordable Care Act," Secretary Sebelius said. "Today's action will bring substantial new federal support to the state and help improve the health of its citizens."

"This is tremendous news for the state of Connecticut," said Governor M. Jodi Rell. "I thank Secretary Sebelius and the Centers for Medicare and Medicaid Services for working so cooperatively with my Administration. For many years, Connecticut has provided state assistance to ensure that our most vulnerable single adults have access to health care. Now with this federal help, we will be able to provide increased medical benefits for them through Medicaid while relieving the burden on state taxpayers."

The Affordable Care Act, signed into law by President Obama on March 23, 2010, permits states to receive federal funding for providing Medicaid coverage to adults with incomes up to 133 percent of the federal poverty level (FPL), or \$14,400 for an individual in 2010. Prior to passage of health care reform, states could only cover childless adults by applying for a waiver of Medicaid rules. These waivers were temporary and states had to meet strict criteria for approval and renewal. The ACA requires states to cover all low-income individuals in Medicaid starting in 2014, but also allows states to get federal funding to enroll them right away.

The Centers for Medicare & Medicaid Services (CMS) approved Connecticut's state plan amendment on June 21, 2010, making it the first in the nation to take up this new option. Connecticut estimates that approximately 45,000 adults will become eligible for Medicaid under this health reform expansion.

"Connecticut's action will allow its low-income, uninsured residents to be among the first Americans to realize the full benefits of the Affordable Care Act," said Marilyn Tavenner, acting administrator of CMS. "We hope other states will follow Connecticut's example and not wait four years to provide health benefits to those who desperately need them."

Prior to passage of the new health care law, many uninsured adults in Connecticut received coverage through a state-funded program, known as State-Administered General Assistance (SAGA). Connecticut will enroll individuals whose annual income is up to 56 percent of the FPL or \$6,650 per year for an individual in 2010.

Medicaid enrollees under this coverage expansion will receive the standard Medicaid benefit package for adults, including:

- Inpatient and outpatient hospital services
- Physician services
- Laboratory services
- Prescription drugs
- Mental health services
- Immunizations
- Emergency services

Federal funding for this coverage expansion will be made available to the state retroactive to April 1, 2010, when the federal funding first became available. The state will receive the regular federal Medicaid matching rate for this new coverage, which Connecticut estimates will save the state at least \$53 million

by July 2011. Under provisions of the Affordable Care Act, beginning Jan. 1, 2014, the federal government will pay 100 percent of the costs related to this new eligibility group for three years. Beginning in 2017, the federal matching rate will decline gradually until it reaches 90 percent of allowable costs where it will remain indefinitely.

CMS is working with several other states that are considering similar coverage improvements under the new law.

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