

# Legislative History for Connecticut Act

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**Act Number:** PA 04-76  
**Bill Number:** 5508  
**Senate Pages:** 1686-1688, 1745-1746 5  
**House Pages:** 1080-1084 5  
**Committee:** Human Services: 489-493, 530-533, 559, 562, 614, 615, 694, 701-707, 755-759, 762-766, 777 32

**Page Total:**

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Transcripts from the Joint Standing Committee Public Hearing(s) and/or Senate  
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S-496

CONNECTICUT  
GEN. ASSEMBLY  
SENATE

PROCEEDINGS  
2004

VOL. 47  
PART 6  
1522-1871

pat

221

Senate

April 22, 2004

Madam President, through you.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

There is a new amendment LCO3843.

THE CHAIR:

Senator Prague.

SEN. PRAGUE:

Madam President, for the moment, we'll PT the bill.

THE CHAIR:

This item will be passed temporarily.

SEN. PRAGUE:

Thank you.

THE CLERK:

Calendar Page 10, Calendar 376, File 246 and 540, Substitute for H.B. 5508 An Act Concerning Revisions To The General Statutes Necessitated By The Elimination Of The General Assistance Program, as amended by House Amendment Schedule "A". Favorable Report of the Committee on Human Services.

THE CHAIR:

Senator Handley.

SEN. HANDLEY:

Thank you, Madam President. This bill is

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Senate

April 22, 2004

essentially a technical bill to remove references to the - oh, do I need to move, I'm sorry.

THE CHAIR:

The question is on passage.

SEN. HANDLEY:

I move acceptance of the Joint Committee's Favorable Report and acceptance, and passage of the bill in concurrence with the House.

THE CHAIR:

The question is on passage. Will you remark?

SEN. HANDLEY:

Thank you, Madam President. This bill is essentially a technical bill that deals with the fact that the town general assistance program has been eliminated and what this bill does is eliminate in the statute, references to the town General Assembly program.

The one question has been asked about whether this bill had as its intention to remove the possibility that the social service department would be, that would result in the social services department being unable to pay directly renters for people in the SAGA program. That's not our intention. It's not clear, but it is not the intention of this to remove that authority from DSS.

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001688

Senate

April 22, 2004

Other than that, as I said, it's technical changes related to the fact that this program is gone and references to the program are obsolete.

THE CHAIR:

The question is on passage. Will you remark further?

SEN. HANDLEY:

If there's no objection, I'd ask that it be placed on the consent Calendar.

THE CHAIR:

Without objection, so ordered.

THE CLERK:

Calendar Page 11, Calendar 402, File 559, S.B. 624  
An Act Concerning Expenditures For The State Elections Enforcement Commission, The State Ethics Commission And The Freedom Of Information Commission. Favorable Report of the Committee on Appropriations. The Clerk is in possession of three amendments.

THE CHAIR:

Senator Harp.

SEN. HARP:

Thank you. I move acceptance of the Joint Committee's Favorable Report and passage of the bill.

THE CHAIR:

The question is on passage. Will you remark?

pat

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001745

Senate

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Calendar Page 10, Calendar 376, Substitute for  
H.B. 5508.

Calendar Page 11, Calendar 402, S.B. 624.

Calendar Page 18, Calendar 112, Substitute for  
S.B. 166.

Calendar Page 21, Calendar 186, Substitute for  
S.B. 410.

Calendar Page 23, Calendar 232, Substitute for  
S.B. 535.

Calendar 238, Substitute for S.B. 194.

Calendar Page 25, Calendar 261, Substitute for  
S.B. 448.

Calendar 264, Substitute for S.B. 126.

Calendar Page 26, Calendar 276, S.B. 587.

And Calendar 283, Substitute for S.B. 470.

Madam President, I believe that completes the  
Third Consent Calendar.

THE CHAIR:

Thank you, Sir. Would you once again announce a  
roll call vote.

THE CLERK:

The Senate is now voting by roll call on the  
Consent Calendar. Will all Senators please return to  
the Chamber.

The Senate is now voting by roll call on the

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001746

Senate

April 22, 2004

Consent Calendar. Will all Senators please return to the Chamber.

THE CHAIR:

If all members have voted, the machine will be locked. The Clerk please announce the tally.

THE CLERK:

Motion is on adoption of Consent Calendar No. 3.

Total number voting 35; necessary for adoption, 18. Those voting "yea", 35; those voting "nay", 0. Those absent and not voting. 1.

THE CHAIR:

The Consent Calendar is adopted.

Senator Looney.

SEN. LOONEY:

Thank you, Madam President. Yes, Madam President, Madam President, would ask for suspension for immediate transmittal to the House of Representatives of three items acted upon earlier this evening.

First is Calendar Page 11, Calendar 401, S.B. 607 and the second was Calendar Page 30, Calendar 361, S.B. 3, the constitutional amendment provision acted earlier and the third item, Madam President, was Calendar 402, S.B., Calendar Page 11, Calendar 402, S.B. 624.

THE CHAIR:

Without objection, so ordered.

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CONNECTICUT  
GEN. ASSEMBLY  
HOUSE

PROCEEDINGS  
2004

VOL. 47

PART 4

977-1318

House of Representatives

Wednesday, April 7, 2004

SPEAKER LYONS:

Thank you, sir. At this moment, hearing no objection, they are being put on the Consent Calendar.

REP. GODFREY: (110<sup>TH</sup>)

Thank you, Madam Speaker. Madam Speaker, the other motion is I want to move three items to the foot of the Calendar. Those would be Calendar numbers 89, 249, and 283, Madam Speaker.

SPEAKER LYONS:

Once again, hearing no objection to that motion, that motion carries.

Would the Clerk please call Calendar 192.

CLERK:

On page number 7, Calendar 192, Substitute for H.B. 5508, AN ACT CONCERNING REVISIONS TO THE GENERAL STATUTES NECESSITATED BY THE ELIMINATION OF THE GENERAL ASSISTANCE PROGRAM. Favorable Report of the Committee on Human Services.

SPEAKER LYONS:

Representative Peter Villano, you have the floor, sir.

REP. VILLANO: (91<sup>ST</sup>)

Thank you, Madam Speaker. Madam Speaker, I move adoption of the Joint Committee's Favorable Report and passage of the bill.

House of Representatives

Wednesday, April 7, 2004

SPEAKER LYONS:

The question before the Chamber is on acceptance and passage. Would you care to remark?

REP. VILLANO: (91<sup>ST</sup>)

Thank you, Madam Speaker. Madam Speaker, this bill makes numerous revisions to the General Statutes dealing with the elimination of the General Assistance Program that was operated at the town level. Since that was eliminated a couple of years ago, those references are obsolete and this bill corrects and brings up-to-date the statutes dealing with the State administered General Assistance Program.

Madam Speaker, the Clerk has an amendment, LCO 2900. I ask that the Clerk please call and I be allowed to summarize.

SPEAKER LYONS:

The Clerk has in his possession LCO 2900, which will be designated House "A". Would the Clerk please call. The gentleman has asked leave to summarize.

CLERK:

LCO number 2900, House Amendment Schedule "A"  
offered by Representative Villano.

SPEAKER LYONS:

Representative Peter Villano, what is your pleasure, sir?

House of Representatives

Wednesday, April 7, 2004

REP. VILLANO: (91<sup>ST</sup>)

Thank you, Madam Speaker. Madam Speaker, the amendment also clarifies the statutes dealing with the General Assistance. The amendment asks for striking reference to statute 8-358 in the statutes in Section 58 and after Section 58, a new section, 501, which eliminates reference again to some obsolete statutes and reaffirms the authority of the Department of DECD in its program, Housing Program for Homeless Persons to allow residents to pay no more than 30% of their income for housing.

Madam Speaker, I move adoption of the amendment.

SPEAKER LYONS:

Thank you, sir.

The question before the Chamber is on adoption. Will you remark on the amendment that is before us? Will you remark? If not, let me try your minds.

All those in favor, please signify by saying aye.

REPRESENTATIVES:

Aye.

SPEAKER LYONS:

Those opposed, nay. The ayes have, the amendment is adopted.

Representative Villano, you still have the floor.

REP. VILLANO: (91<sup>ST</sup>)

gmh

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House of Representatives

Wednesday, April 7, 2004

I move passage of the bill, as amended.

SPEAKER LYONS:

Thank you, sir.

Representative Gibbons.

REP. GIBBONS: (150<sup>TH</sup>)

Thank you, Madam Speaker. I vote in favor of the bill too and urge my colleagues to do the same. This is largely technical changes to the statutes and it should pass.

Thank you, Madam Speaker.

SPEAKER LYONS:

Thank you, Madam. Would you care to remark further? If not, staff and guests come to the Well. Members, take your seats, the machine will be opened.

CLERK:

The House of Representatives is voting by roll call. Members to the Chamber. The House is voting by roll call. Members to the Chamber, please.

SPEAKER LYONS:

Have all the members voted? Have all the members voted? Would the members please check the board to make sure that your vote is accurately recorded. If all the members have voted, the machine will be locked and the Clerk will take a tally.

Representative Dyson, how would you like to be

House of Representatives

Wednesday, April 7, 2004

recorded, sir?

REP. DYSON: (94<sup>TH</sup>)

In the affirmative, Madam Speaker.

SPEAKER LYONS:

Representative Dyson in the affirmative.

Would the Clerk please announce the tally.

CLERK:

H.B. 5508, as amended by House Amendment Schedule

"A"

Total Number Voting	144
Necessary for Passage	73
Those voting Yea	144
Those voting Nay	0
Those absent and not Voting	7

SPEAKER LYONS:

The bill, as amended passes.

Would the Clerk please call Calendar 148.

CLERK:

On page 6, Calendar 148, H.B. 5439, AN ACT  
CONCERNING THE CHIEF STATE'S ATTORNEY. Favorable Report  
of the Committee on Judiciary.

SPEAKER LYONS:

Representative Mike Lawlor, you have the floor,  
sir.

REP. LAWLOR: (99<sup>TH</sup>)

JOINT  
STANDING  
COMMITTEE  
HEARINGS

HUMAN  
SERVICES  
PART 2  
282-552

2004

eligibility criteria for the transitional rental assistance program to permit those who leave the program prior to their time limit with income above the welfare payment standard to qualify. Additionally, it would allow those who become ineligible for temporary family assistance because of the expiration of their limit, who do not have income at this level to qualify for this program.

We support the first change. Families who voluntarily choose to leave TFA before they leave their 21 month time limit with earnings above the welfare payment, but less than federal poverty level, should be able to receive transitional rental assistance.

The way it's structured now, there's actually an inadvertent disincentive for families to become independent of TFA before their time limit, and given that it is a time limited program, we want to help families save. If they could leave the program early, they can bank, if you will, those additional months in their time limit so we feel that this change makes sense and we think it would benefit not just the clients but also the state.

The second proposed change, however, which would permit all families who become ineligible for welfare time limits to qualify. This would constitute a major program expansion and we do have the funds to support that.

The current program is able to operate within its appropriation. We're serving around 150 families. We get about 12 new families each month. Under this proposal, and additional 55 families could potentially qualify each month. Clearly, that would exhaust the available funds for the program and would divert our limited resources away from those who have gone to work and are attempting to make the transition to self-sufficiency. So for that reason we must oppose this bill.

And lastly, another technical, kind of a technical bill, H.B. 5508 AN ACT CONCERNING REVISIONS TO THE GENERAL STATUTES NECESSITATED BY THE ELIMINATION OF THE GENERAL ASSISTANCE PROGRAM. This bill

represents a really exhaustive search of the statutes to make a number of technical changes to reflect the transition away from town administered general assistance to state administered general assistance.

Our testimony goes into much more detail. I'm just going to briefly highlight some of them and obviously we can talk in more detail later about them.

I propose removing Section 13. This would amend 17b-99 which concerns vendor fraud and it would take away references to general assistance. It would take away our authority to refuse to do business with a vendor convicted of fraud in the GA program and we feel that this would be a problem for us.

We also would like to suggest an amendment to Section 44 of PA 03-3 of the June special session dealing with the hearing rights of state administered GA applicants and recipients. There were some inaccuracies inadvertently created last year when the legislation was passed. We're concerned that the law as currently written does not sufficiently assure access to hearings and benefits pending the outcome of a hearing. We've got some suggested language in the written version.

In the interest of time, I think I will just let our written testimony pretty much speak for itself, because they are very technical changes and I believe that we're actually do in Public Health to testify momentarily. So with that, we'd be very happy to answer any questions that you may have.

SEN. HANDLEY: A busy day. I would suggest in the technical issues that perhaps you and Bill could get together and then if what you are talking about does not agree with all of us understood was going on, we can have further discussion but if they're purely technical stuff that needs to be cleaned up, I would leave it at that.

I do have two questions that I'd like to ask you. I know you have to leave, so we may want to get

these answers as quickly as we can.

One has to do with the recent opinion by the Attorney General dealing with the immigration, with the restrictions on immigrant benefits arguing in his opinion, that some of those restrictions are unconstitutional. How soon do you expect to respond to the Attorney General's opinions?

DEP. COMM. CLAUDETTE BEAULIEAU: Actually, we received a copy kind of by accident. We sort of picked it up because somebody gave it to us. I wasn't aware that he was directing the opinion necessarily to us for a response, but --

SEN. HANDLEY: Well, we certainly would, I think, this Committee would like a response because he's very clear in the SAGA population, particularly, that it is unconstitutional to deny those benefits. So I would like to hear a response as quickly as possible.

DEP. COMM. CLAUDETTE BEAULIEAU: Well, Senator, we just saw probably about the day before yesterday, I think it was that we got it and we have had our attorneys take a quick look at it. I understand that at least upon a preliminary review, we have some concerns that some of the cases that are used to buttress the opinion are perhaps not fully developed and that there's actually much more behind those cases than may be necessarily apparent.

I don't know that it's necessarily is clear cut, but I don't want to say that you know, this is a first blush look at it because we just go it.

SEN. HANDLEY: Okay. Well, I think before we get too far we will need to do that.

DEP. COMM. CLAUDETTE BEAULIEAU: Yep. We'd be happy to do that.

SEN. HANDLEY: The other question that I have has to deal with the maximization of federal funds and the spending cap. We are, you know, we are always being concerned with the issue, with the fact that

as we apply for federal funds that those funds very often get counted under the, under our spending cap and this obviously not only hurts the process of maximizing but in a sense is as disincentive to going after federal funds at times.

Have you done any thinking about the issue of how to maximize federal funds and also provide a mechanism for not including those federal funds in the spending cap?

DEP. COMM. MICHAEL STARKOWSKI: Senator Handley, I'm not the expert on the spending cap but it's my understanding that if you have to gross appropriate in order to receive the federal funds as a reimbursement, then those gross appropriated dollars are under the spending cap.

But as you're well aware, a number of the federal grants that come out from all of the federal departments that we deal with, there are a number that are 100% federally funded so they may allow \$100,000 or \$200,000 or half a million dollars for a pilot program, a research program. Those dollars are not included under the federal, under the spending cap of the state.

So it's, what we're concerned about in our testimony was that there are a number of federal grants that come out like that, that are very minimal. So they may be a \$50,000 grant. And when you actually get behind the scenes of what you're going to have to do to earn the \$50,000, with all that we have on our plate at DSS, we just couldn't handle taking on another assignment and have it actually cost more in administrative dollars than the \$50,000 coming in.

SEN. HANDLEY: Well, I understand. On the other hand, I do think that we need to think about the gross appropriation issue because if some of that money is federal money, ultimately federal money we're, we may be doing ourselves some damage.

Are there other questions or comments?

REP. VILLANO: Just an observation, Madam Chair. The

bills, (inaudible-not using mike)

DEP. COMM. MICHAEL STARKOWSKI: Representative Villano, we've always tried to provide the services that we can provide within the dollars that are appropriated.

If the dollars are appropriated and the Legislature decides to either repeal one of the actions that was in the special session or repeal one of the prior actions, we'll go along with whatever the Legislature mandates us to do.

I mean, what happened, everybody understands what happened in the special session. I mean, the budget was so out of whack and that we had to look at some harsh measures. You know, these weren't easy decisions for the Department and I'm sure they weren't easy decisions for legislators. But what that's produced is a fairly balanced budget this year and the overall state budget, it's my understanding is, at one point was about \$200 million short next year, which is a lot less than \$2 billion, the way it was two years ago.

REP. VILLANO: (Inaudible-not using mike)

DEP. COMM. MICHAEL STARKOWSKI: About 4%. Yes.

REP. VILLANO: (Inaudible-not using mike)

DEP. COMM. MICHAEL STARKOWSKI: Representative --

REP. VILLANO: (Inaudible-not using mike)

DEP. COMM. MICHAEL STARKOWSKI: Right.

REP. VILLANO: (Inaudible-not using mike)

SEN. HANDLEY: Representative Walker.

REP. WALKER: Thank you, Madam Chairman. Good morning, or good afternoon, now. First of all, I just wanted to comment on a couple of your issues.

On S.B. 457, our gold plated Medicare health care program in the state that you commented on. You

There's no making up for that time and as a public school teacher at the middle school level and had been at a middle school in Manchester, I could see the results. It's frustrating to the children. It's frustrating to them to be in the classroom and not have the basic skills that they need.

REP. GIBBONS: Well, I just find it fascinating that we can be the number one country in the world in so many areas and be so far behind in child care. And it is a social mentality in this country that our companies cannot expect a mother to find child care and go to work. They just expect them to do something with it on their own and that these child care providers do magically appear and too often nobody else wants to deal with the issue.

DONNA BEDNER: I would love to speak longer and harder and more emphatically, but I know that there are many people behind me who would like to the same thing.

I did send, Senator Handley, I did send you information on what (inaudible-not using microphone)

SEN. HANDLEY: Thank you. Thank you very much. Okay, our next speaker is LaVerne Johnson. Is LaVerne here?

LAVERNE JOHNSON: Good afternoon.

SEN. HANDLEY: Good afternoon.

LAVERNE JOHNSON: Human Services Committee. I'm LaVerne Johnson, a former SAGA recipient. I'm here on behalf of myself and anyone else who can't speak for themselves. I'm before you today to address the SAGA medical benefits program. SB 457  
HB 5508

I was recently on SAGA and my benefits were discontinued because my unemployment began again. And what SAGA wants me to do is accumulate \$4,000 worth of medical benefits before they'll assist me again. That's definitely a Catch 22. Why would I want to accumulate \$4,000 worth of medical benefits

and I can't afford to go to a doctor anyway?

The guidelines that they go by are so antiquated. We all know that they're antiquated. I have requested an administrative hearing because as you can see, I'm an African-American woman, I'm 52 years old, I have diabetes which I have not had the Actos that I take for my diabetes since Thursday because I can't afford it.

I have high blood pressure and I have arthritis. I can't afford any of these medications that I take for these illnesses, because although I am receiving unemployment, I'm a person that's alone that takes care of myself. Two of those unemployment checks pay my rent, so the other two have to pay my bills and buy me food and take care of any other expenses I might have.

I'm not dependent on SAGA. I'm proud to work any time which I can, which I have secured a job with the New Haven Housing Authority, but it's a temporary assignment that does not allow me benefits and still doesn't allow me to be able to afford the six medications that I have to take every day to keep myself where I need to be.

I'm also under the care of a cardiologist because my high blood pressure that I've had since I've been 15 years old has enlarged the muscles of my heart, which I can't also afford the cardiologist with my unemployment, and even with the job I have, the temporary position I have now.

What's more of an urgency is the fact that before my SAGA was discontinued, I was trying to get myself into a rehab program and was reassured by my SAGA worker that my rehab would be taken care of. It was a concern because I knew my unemployment was starting again and I was going to get cut off. He told me not to worry about it because it was taken care of. Needless to say in the middle of my rehab my SAGA was discontinued and I had to leave.

I had to immediately seek other options for myself that were available to me which was zero without SAGA. Everybody wants SAGA. So thank God for my

church and the individuals in my church who are very supportive and not judgmental and don't look down on me, one of which of whom includes Dr. Gian Owens Lane, President Elect of the Connecticut Psychological Association who made it possible for me to be here today.

If I had been a weak individual and not in the Lord, I would have been back out on the street and possibly even dead. This is a serious situation which needs to be addressed on an individual basis and not so cut and dry as to cut and dry as to close the door or cut off a hand that is reaching out for help.

I understand the point that there are individuals who take advantage of this situation, but this is the first time I have entered into a rehab and needed help.

You must look at this entire situation seriously and find a way to amend this decision so that help can be made available to individuals such as myself and others who genuinely need your assistance. Thank you for your time.

SEN. HANDLEY: Thank you very much. Thank you.

REP. VILLANO: Yeah, Miss Johnson. I was surprised that you were terminated from the SAGA program because of your unemployment compensation.

LAVERNE JOHNSON: Because the guidelines that they go by are so antiquated. If I get a dollar more than they say that I should -

REP. VILLANO: (Inaudible-not using microphone)

LAVERNE JOHNSON: I don't think that I'm going to be granted my SAGA at this administrative hearing I have scheduled next week, but I'm not going to stop. I'm going to still pursue it, not only for myself but just like I said, for the individuals that I can represent or help that can't represent themselves or help themselves.

REP. VILLANO: (Inaudible-not using microphone)

LAVERNE JOHNSON: All right. Thank you.

SEN. HANDLEY: Thank you, Miss Johnson, very much. Our next speaker is Denise Duclos, followed by Debra Toupenca. Good afternoon.

DENISE DUCLOS: Good afternoon. Thank you, Senator SB458  
Handley, Representative Villano and Senator Kissel. My name is Denise Duclos and I am with the New Haven Public Schools, the New Haven School Readiness Office and I'm here on behalf of the New Haven School Readiness Council with my entourage from New Haven. Behind me are many of the social workers who work with the families in New Haven through the Head Start Program or through the other public school programs that we have for preschool children.

I also have with me Kelly Santiago who is an aunt of Kelvin and she takes care of Kelvin while her sister works as a housekeeper at St. Raphael's Hospital and she's going to also tell you her story today.

On behalf of the Council and the community, New Haven's community and families, I'm here to ask you to restore funding to the Child Care Subsidy Program and over the last three years the Care-4-Kids budget has been cut by 25%, about \$30 million and this has had a huge impact on New Haven's children and families.

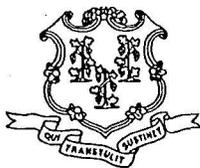
In 2002 we had about 3,000 children on Care-4-Kids in New Haven and this January we have about 1,200. I'm sorry, 1,200 of those children are off the program. That's about a 40% drop in the number of children served.

Now, DSS estimates say that there are about 1,300 families on the wait list and that comes out to about 2,000 children that are on the wait list waiting for Care-4-Kids in New Haven. This cut has had a serious effect on the school readiness programs across the state. Remember that school readiness was built on the idea that it was conceived, you know, financially speaking, just

JOINT  
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PART 3  
553-860

2004



STATE OF CONNECTICUT  
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY OF  
MARC S. RYAN  
SECRETARY  
OFFICE OF POLICY AND MANAGEMENT  
Human Services Committee

March 4, 2004

Senator Handley, Representative Villano and distinguished members of the Human Services Committee, thank you for the opportunity to submit written testimony on the bills before you today. On behalf of the Office of Policy and Management, I would like to offer comments on the following bills:

Senate Bill No. 414 – An Act Concerning Technical Revisions to the Human Services Statutes

This bill makes a number of technical revisions to the human services statutes. I would like to note that I support changes to this bill as proposed by DSS and which are detailed in their testimony.

Senate Bill No. 426 – An Act Concerning Maximization of Federal Funds

Connecticut generally ranks among the top two states in terms of the tax revenue per capita that it sends to the federal government, but near the bottom in terms of the assistance per capita that it receives back in the form of federal grants and other assistance.

There are those who would argue that, at least in tough fiscal times, the state should take virtually every federal dollar that it can get. We do not support going that far. We reject the notion that "every federal dollar is a good dollar." We recognize that each federal funding opportunity requires the state to evaluate not only the potential federal revenue, but also the state costs – in personnel or matching funds – and the policy and programmatic requirements of the grant. In short, the state should maximize federal dollars that support its programs and policies.

While we oppose SB 426 on this basis, we support the intent of maximizing federal revenue. We agreed with the Program Review and Investigations Committee report, which recommended that OPM should take the lead role in these efforts. In place of SB 426, we would ask the committee to support Governor Rowland's proposal in House Bill 5034 which requires OPM to develop and implement a program to increase the level of federal funds accessed by the state, including:

1. Identifying state programs and services eligible for federal funding and the requirements associated with such programs;

provides an incentive for TFA recipients to become self-sufficient before their time limits are up. While I support the additional flexibility provided by section 1(a)(1) of the bill, I cannot support the rest of the bill which would significantly increase the demand for the program by expanding eligibility to those who have exhausted their time limits or the maximum number of extensions but who do not necessarily have income that exceeds the payment standard, and which provides an unspecified amount of additional dollars to expand the program. It should be noted that the Governor's mid-term budget already includes an additional \$1.6 million (\$800,000 in both fiscal year 2005 and 2006) for rental assistance, which would be funded through TANF High Performance Bonus funds.

**House Bill No. 5484 – An Act Concerning Special Education Costs for Children Residing in Temporary Shelters**

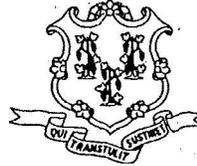
This bill could create future costs for the state's special education grant. While the grant is capped for both fiscal year 2004 and 2005, when it is uncapped in future years, the addition of children residing in temporary shelters into the calculation of the special education grant could create costs. A very preliminary estimate of the impact to the state's special education grant would be about \$100,000 per year.

**House Bill No. 5508 – An Act Concerning Revisions to the General Statutes Necessitated by the Elimination of the General Assistance Program**

This bill updates the statutes to reflect the elimination of the town-run General Assistance program. For the most part, these changes are consistent with last year's restructuring of State Administered General Assistance in which the Norwich General Assistance program was eliminated (Norwich being the only town operating its own General Assistance program). I support technical changes to this bill as proposed by DSS and which are detailed in their testimony.

Again, thank you for the opportunity to offer comments on these bills.

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Representative Robert Farr

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Connie Dice  
Patricia Russo

T-2

Testimony of  
Leslie J. Brett  
Executive DirectorPermanent Commission on the Status of Women  
Before the Human Services Committee  
Thursday, March 4, 2004

## In Support of:

SB 457, AAC Restoration of Social Service Programs  
SB 458, AAC The Child Care Subsidy Program  
HB 5483, AAC Transitional Rental Assistance

## Re:

HB 5508, AAC Revisions to the General Statutes Necessitated by the Elimination of the General Assistance Program

Good morning Senator Handley, Representative Villano and members of the committee. My name is Leslie Brett and I am the Executive Director of the Permanent Commission on the Status of Women. I am pleased to testify this morning not only on behalf of the PCSW, but also on behalf of the Connecticut Women's Health Campaign (CWHC), in regards to SB 457 and HB 5508. PCSW also supports passage of SB 458 and HB 5483.

SB 457, AAC Restoration of Social Service Programs

PCSW supports passage of SB 457, which would restore the cuts made during the June 2003 special session, eliminate co-payment and premium requirements, restore eligibility for cash benefit levels under SAGA, restore eligibility to HUSKY A up to 150% of the federal poverty level, and restore presumptive and guaranteed eligibility.

According the Kaiser Family Foundation, approximately 128,000 (12.3%) women age 18 to 64 are uninsured in Connecticut, and of that population approximately 71,500

(28.7%) are low-income women.<sup>1</sup> The cuts to Medicaid and SAGA will worsen the current situation.

Medicaid protects women's health at all ages and stages of life by providing access to vital health services, including acute and preventive care, pregnancy related services, nursing home and long-term care.<sup>2</sup> Health care coverage through Medicaid and SAGA is critical to low-income and elderly women in Connecticut. This is a core issue for women's access to health care in our state.

Women comprise the vast majority of adults enrolled in Medicaid, and over half of the adults enrolled in SAGA. As of November 2003, approximately 147,000 women obtained access to health services through Medicaid: 124,405 female parents and caregivers (HUSKY A), 14,945 elderly women, 7,385 nonelderly women with disabilities, and 130 women with breast or cervical cancer.<sup>3</sup>

Restoration of the services in this proposal will assist low-income women in remaining healthy by providing affordable, preventative healthcare.

We urge your support of SB 457, and as a result we urge you to oppose passage of HB 5508, AAC Revisions to the General Statutes Necessitated by the Elimination of the General Assistance Program.

#### SB 458, AAC The Child Care Subsidy Program

PCSW supports SB 458, which would provide first priority enrollment to the 10,000 families who are already on the waiting list for the childcare subsidy program, if and when the program is re-opened.

Too many Connecticut children already enter kindergarten a year behind in school readiness skills. Research in Connecticut on the impact of preschool reveals a significant reduction in school retention, an increase in school attendance, improved numeric and pre-literacy skills development and enhanced health care utilization. The achievement gap is also narrowed before the children open the kindergarten door to formal schooling.

Funding for childcare assists everyone. It assists parents by providing adequate

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<sup>1</sup> "Health Insurance Coverage of Women Ages 18 to 64, by State, 2001-2002" and "Health Insurance Coverage of Low Income Women Ages 18 to 64, by State, 2001-2002," The Henry J. Kaiser Family Foundation, February 2004.

<sup>2</sup> Medicaid covers physician's services, lab and x-ray services, inpatient and outpatient hospital services, family planning services and supplies, home health care, prescription drugs, durable medical equipment including eyeglasses, physical therapy, inpatient mental health care, personal care services.

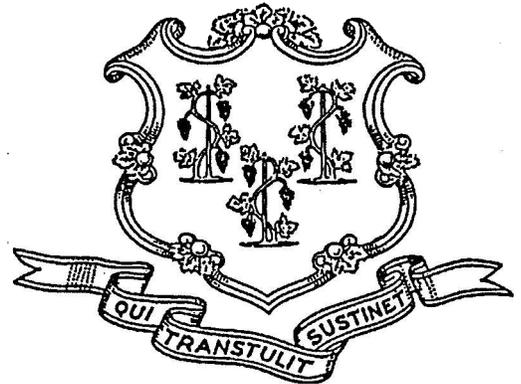
<sup>3</sup> DSS Data.

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# Department of Social Service

Testimony before the  
Human Services Committee



Michael P. Starko  
Claudette J. Beauvais  
Deputy Commissioner  
March 4, 2003

**H. B. No. 5508 (RAISED) AN ACT CONCERNING REVISIONS TO THE GENERAL STATUTES NECESSITATED BY THE ELIMINATION OF THE GENERAL ASSISTANCE PROGRAM.**

Raised bill 5508 reflects an exhaustive search of the statutes to make technical changes reflecting the transition away from town-administered general assistance. I suggest the following changes.

I propose removing section 13. This section amends section 17b-99, which concerns vendor fraud, to delete references to general assistance. This would take away the Department's authority to refuse to do business with a vendor convicted of fraud in the general assistance program. Additionally, a vendor would no longer be obligated to disclose a conviction for general assistance fraud on the part of certain of its employees. There is value to the Department in preserving these provisions for the integrity of other programs we administer.

An important addition I propose is to amend section 44 of Public Act 03-3 of the June Special Session which addresses the hearing rights of state-administered general assistance applicants and recipients to correct inaccuracies in the provisions passed last year. To assure access to the hearings process and the continuation of benefits pending the final decision I propose the deletion of the current language and the following replacement language:

A person whose application for State Administered General Assistance cash or medical benefits is denied or whose receipt of such assistance is terminated or modified may request a hearing pursuant to section 17b-60, provided a recipient of medical benefits who seeks review of the denial of coverage for a specific medical service shall exhaust the grievance process available pursuant to section 17b-257, as amended by this act, prior to requesting such a hearing.

Of additional concern are two assumptions made in the bill as currently drafted. One is that the term "public assistance" subsumes state administered general assistance. Historically it has not and the regulations of the agency do not include SAGA in the definition of public assistance. There is no controlling definition of public assistance in the general statutes. We suggest that rather than bracketing "general assistance" in these instances, "state administered" be added preceding "general assistance". This applies to lines 85, 171, 187, 838 and 1159.

The other assumption is that the general assistance program and SAGA were identical in every aspect. This is problematic in section 12 where the exclusion of income authorized in general assistance was never authorized in SAGA. Agency regulations specify income exclusions in SAGA and this is not an exclusion currently recognized. Thus this would be an unintended substantive change. We recommend instead deleting references to the general assistance program in this section. This assumption also creates a problem in

section 18. While certain children claimed as dependents for tax purposes were not eligible for general assistance, they are eligible for SAGA. We recommend repeal of section 17b-118b to preserve that eligibility.

In section 16, obsolete language referencing durational limits on assistance should be repealed. We recommend deleting subsections (a) and (b) of section 17b-118 and bracketing the reference to the obsolete time limits in section (c).

Sections 3 and 4 of the bill should be removed and the sections they amend repealed as the programs they describe no longer exist. These are sections 8-206b and 8-358. The former describes an energy assistance program that has been succeeded by the Connecticut Energy Assistance Program (CEAP). The latter was developed to incorporate the rental component of the general assistance program in the calculation of benefits for other housing programs. As there is no rental component in the SAGA grant this entire section is obsolete.

Additionally, the reference in lines 223 and 224 to the Connecticut assistance and medical aid program for the disabled should be deleted as this program no longer exists.

Thank you again for this opportunity to testify. We would be happy to answer any questions you may have.

**HUSKY Recommended Statutory Revisions**

**Sec. xx. Section 17b-292 as amended by section 7 of public act 03-2 and section 56 of public act 03-3 of the June 30 special session is repealed and the following is substituted in lieu thereof:**

(a) A child who resides in a household with a family income which exceeds one hundred eighty-five per cent of the federal poverty level and does not exceed three hundred per cent of the federal poverty level may be eligible for subsidized benefits under the HUSKY Plan, Part B. The services and copayment [cost sharing] requirements under the HUSKY Plan, Part B shall be substantially similar to the services and copayment [cost sharing] requirements of the largest commercially available health plan offered by a managed care organization, as defined in section 38a-478, offered to residents in this state. [as measured by the number of covered lives report to the Department of Insurance in the most recent audited annual report.]

(b) A child who resides in a household with a family income over three hundred per cent of the federal poverty level may be eligible for unsubsidized benefits under the HUSKY Plan, Part B.

(c) Whenever a court or family support magistrate orders a noncustodial parent to provide health insurance for a child, such parent may provide for coverage under the HUSKY Plan, Part B.

(d) To the extent allowed under federal law, the commissioner shall not pay for services or durable medical equipment under the HUSKY Plan, Part B if the enrollee has other insurance coverage for the services or such equipment.

(e) A newborn child who otherwise meets the eligibility criteria for the HUSKY Plan, Part B shall be eligible for benefits retroactive to his date of birth, provided an application is filed on behalf of the child within thirty days of such date.

(f) The commissioner may [shall] enter into a contract with an entity to be a single point of entry servicer for applicants and enrollees under the HUSKY Plan, Part A and Part B. The servicer shall jointly market both Part A and Part B together as the HUSKY Plan. Such servicer shall develop and implement public information and outreach activities with community programs. Such servicer shall electronically transmit data with respect to enrollment and disenrollment in the HUSKY Plan, Part B to the commissioner.

(g) The single point of entry servicer shall send an application and supporting documents to the commissioner for determination of eligibility of a child who resides in a household with a family income of one hundred eighty-five per cent or less of the federal poverty level. The servicer shall enroll eligible beneficiaries in the applicant's choice of managed care plan.

(h) Not more than twelve months after the determination of eligibility for benefits under the HUSKY Plan, Part A and Part B and annually thereafter, the commissioner or the servicer, as the case may be, shall determine if the child continues to be eligible for the plan. The commissioner or the servicer shall mail an application form to each participant in the plan for the purposes of obtaining information to make a determination on eligibility. To the extent permitted by federal law, in determining eligibility for benefits under the HUSKY Plan, Part A and Part B with respect to family income, the commissioner or the servicer shall rely upon information provided in such form by the

participant unless the commissioner or the servicer has reason to believe that such information is inaccurate or incomplete. The determination of eligibility shall be coordinated with health plan open enrollment periods.

(i) The commissioner shall implement the HUSKY Plan, Part B while in the process of adopting necessary policies and procedures in regulation form in accordance with the provisions of section 17b-10.

(j) The commissioner shall adopt regulations, in accordance with chapter 54, to establish residency requirements and income eligibility for participation in the HUSKY Plan, Part B and procedures for a simplified mail-in application process. Notwithstanding the provisions of section 17b-257b, such regulations shall provide that any child adopted from another country by an individual who is a citizen of the United States and a resident of this state shall be eligible for benefits under the HUSKY Plan, Part B upon arrival in this state.

**Sec. xx. Section 17b-294 is repealed and the following is substituted in lieu thereof (Effective upon passage):**

(a) The commissioner shall, within available appropriations, establish two supplemental health insurance programs, to be known as HUSKY Plus programs, for enrollees of the subsidized portion of the HUSKY Plan, Part B with family incomes which do not exceed three hundred per cent of the federal poverty level, whose medical needs cannot be accommodated within the basic benefit package offered enrollees. One program shall supplement coverage for those medically eligible enrollees with intensive physical health needs and one shall supplement coverage for those medically eligible enrollees with intensive behavioral health needs.

(b) Within available appropriations, the commissioner may [shall] contract with one or more entities to administer and operate the HUSKY Plus program for medically eligible enrollees with intensive physical health needs. Such entities may [shall] be the same entities that the Department of Public Health contracts with to administer and operate the program under Title V of the Social Security Act. [The advisory committee established by the Department of Public Health for Title V of the Social Security Act shall be the steering committee for such program, except that such committee shall include representatives of the Departments of Social Services and Children and Families.]

(c) Within available appropriations, the commissioner may [shall] contract with one or more entities to operate the HUSKY Plus program for medically eligible enrollees with intensive behavioral health needs. [The steering committee for such program shall be established by the commissioner, in consultation with the Commissioner of Children and Families. The steering committee shall include representatives of the Departments of Social Services and Children and Families.]

(d) The acuity standards or diagnostic eligibility criteria, or both, the service benefits package and the provider network for the HUSKY Plus program for intensive physical health needs shall be similar to [consistent with] those [that] of Title V of the Social Security Act. Such service benefit package shall include powered wheelchairs.

(e) [The steering committee for intensive behavioral health needs shall submit recommendations to the commissioner for acuity standards or diagnostic eligibility criteria, or both, for admission to the program for intensive behavioral health needs as

well as a service benefits package. The criteria shall reflect the severity of psychiatric or substance abuse symptoms, the level of functional impairment secondary to symptoms and the intensity of service needs.] The network of community-based providers in the program for enrollees with intensive behavioral health needs shall include the services generally provided by child guidance clinics, family service agencies, youth service bureaus and other community-based organizations.

(f) The commissioner shall adopt regulations, in accordance with chapter 54, to establish a procedure for the appeal of a denial of coverage under any of the HUSKY Plus programs. Such regulations shall provide that [(1) an appeal of a denial of coverage for a medically eligible enrollee with intensive physical health needs shall be taken to the steering committee for intensive physical health needs, (2) an appeal of a denial of coverage for a medically eligible enrollee with intensive behavioral health needs shall be taken to the steering committee for intensive behavioral health needs, and (3)] a medically eligible enrollee with intensive physical or behavioral health needs may appeal a denial of coverage [the decision of any such steering committee] to the commissioner.

(g) The commissioner may [shall] contract for an external quality review of the HUSKY Plus programs. Not later than January 1, 1999, and annually thereafter, the commissioner shall submit a report to the Governor and the General Assembly on the HUSKY Plus programs which shall include an evaluation of the health outcomes and access to care for medically eligible enrollees in the HUSKY Plus programs.

(h) On and after the date on which any medically eligible enrollee begins receiving benefits under the HUSKY Plus programs, such enrollee shall not be eligible for services under Title V of the Social Security Act.

(i) Not later than December 1, 1997, or not less than fifteen days before submission of the state children's health insurance plan to the joint standing committees of the General Assembly having cognizance of matters relating to human services, public health, insurance and appropriations and the budgets of state agencies, whichever is sooner, the commissioner shall submit to said joint standing committees of the General Assembly any part of the state children's health insurance plan that refers to the HUSKY Plus programs. Such submission shall address acuity standards and diagnostic eligibility criteria, the service benefit package and coordination between the HUSKY Plan, Part B and the HUSKY Plus programs and coordination with other state agencies. Within fifteen days of receipt of such submission, said joint standing committees of the General Assembly may advise the commissioner of their approval, denial or modifications, if any, of the submission. If the joint standing committees do not concur, the committee chairmen shall appoint a committee on conference which shall be comprised of three members from each joint standing committee. At least one member appointed from each committee shall be a member of the minority party. The report of the committee on conference shall be made to each committee, which shall vote to accept or reject the report. The report of the committee on conference may not be amended. If a joint standing committee rejects the report of the committee on conference, the submission shall be deemed approved. If the joint standing committees accept the report, the committee having cognizance of matters relating to appropriations and the budgets of state agencies shall advise the commissioner of their approval or modifications, if any, of the submission, provided if the committees do not act within fifteen days, the submission shall be deemed approved.

(j) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54, to establish criteria and specify services for the HUSKY Plus programs. Such regulations shall state that the HUSKY Plus programs shall give priority in such programs to enrollees with family incomes at or below two hundred thirty-five per cent of the federal poverty level.

(k) As used in this section, "medically eligible enrollee" means any enrollee with special needs related to either physical or behavioral health who meets the acuity standards or diagnostic eligibility criteria adopted by the commissioner regarding the acuity, diagnosis, functional impairment and intensive service needs of the enrollee.

**Sec. xx. Section 17b-297 is repealed and the following is substituted in lieu thereof (Effective upon passage):**

(a) The commissioner, in consultation with [the Children's Health Council,] the Medicaid Managed Care Council and Infoline of Connecticut, shall develop mechanisms for outreach for the HUSKY Plan, Part A and Part B, including, but not limited to, development of mail-in applications and appropriate outreach materials through the Department of Revenue Services, the Labor Department, the Department of Social Services, the Department of Public Health, the Department of Children and Families and the Office of Protection and Advocacy for Persons with Disabilities.

(b) The commissioner shall include in such outreach efforts information on the Medicaid program for the purpose of maximizing enrollment of eligible children and the use of federal funds.

(c) The commissioner shall, within available appropriations, contract with severe need schools and community-based organizations for purposes of public education, outreach and recruitment of eligible children, including the distribution of applications and information regarding enrollment in the HUSKY Plan, Part A and Part B. In awarding such contracts, the commissioner shall consider the marketing, outreach and recruitment efforts of organizations. For the purposes of this subsection, (1) "community-based organizations" shall include, but not be limited to, day care centers, schools, school-based health clinics, community-based diagnostic and treatment centers and hospitals, and (2) "severe need school" means a school in which forty per cent or more of the lunches served are served to students who are eligible for free or reduced price lunches.

(d) All outreach materials shall be approved by the commissioner pursuant to Subtitle J of Public Law 105-33.

(e) Not later than January 1, 1999, and annually thereafter, the commissioner shall submit a report to the Governor and the General Assembly on the implementation of and the results of the community-based outreach program specified in subsections (a) to (c), inclusive, of this section.

**Sec. xx. Section 17b-298 is repealed and the following is substituted in lieu thereof (Effective upon passage):**

(a) The commissioner shall adopt regulations, in accordance with chapter 54, to establish appropriate contract standards to oversee and ensure the quality of care provided under

the HUSKY Plan, Part B. Such regulations shall require the establishment of an internal quality assurance plan by each managed care plan which shall be in writing and available to the public.

(b) The commissioner shall develop criteria for assessing the outcomes of health care provided to children under the HUSKY Plan, Part B.

(c) The commissioner may [shall] contract for the external quality review of the HUSKY Plan, Part B. Such review shall include, but not be limited to, an evaluation of access to care, medical record standards, provider credentialing and individual case review.

(d) The commissioner may impose the following sanctions on any managed care plan which does not meet the quality of care required by standards adopted pursuant to subsection (a) of this section or the standards developed for external quality review by a contract under the provisions of subsection (c) of this section:

(1) Require the managed care plan to submit and implement a plan of correction;

(2) Limit new enrollment during any period of noncompliance;

(3) Withhold state payments that may become due until the deficiencies are corrected; and

(4) Prohibit the managed care plan from renewing or entering into new contracts to serve enrollees.

(e) Not later than January 1, 1999, and annually thereafter, the commissioner shall submit a report to the Governor and the General Assembly which shall outline the overall effect of the HUSKY Plan, Part B on access to, utilization and quality of primary and preventive health care services for children and the impact of such plan on the health status of enrollees.

(f) Not later than July 1, 1998, or the close of the calendar quarter following federal approval of the state children's health insurance plan, and quarterly thereafter, the commissioner shall submit a report to the Governor and the General Assembly which shall analyze enrollment levels in the HUSKY Plan, Part B in relation to the availability of state and federal funds for such plan and, if necessary, establish priorities for access under the HUSKY Plan, Part B to health insurance for eligible beneficiaries in families with income of less than two hundred thirty-five per cent of the federal poverty level.

**Sec. xx. Sec. 17b-301 is repealed and the following is substituted in lieu thereof (Effective upon passage):**

Any payment made by the state to a managed care organization that contracts with the ~~department to provide benefits to enrollees in the HUSKY Plan, Part B on a prepaid basis~~ or any payment made by a managed care organization participating in the HUSKY Plan, Part B to a provider on behalf of an enrollee may be recovered by the state or the managed care organization if the payment was made for services received while the enrollee was ineligible or as a result of any false statement, misrepresentation or concealment of or failure to disclose income or health insurance coverage by an applicant responsible for maintaining insurance. [may be recovered by the state.]

Our jails are full of people, we have to send some of them out of Connecticut because we don't even have a place for them in Connecticut. We spent a lot of money doing that. When a family gets dislocated, when they don't have any money, DCF many times has to pick up those children, because the families are on the street, and they have to pick up the children.

We're not doing a saving there. We are spending money in there, plus we're taking those children away from their parents, and I see that a lot in the city that I represent. So it's not a waste of money to help poor people. It's prevention, it's helping them go ahead, and live a decent life like everybody else.

You need to do what you need to do, but I think we, as legislators, we have to continue fighting and asking for those people that the people of Connecticut need and deserve. Thank you.

SEN. HANDLEY: Thank you. Senator Kissel, you had a question? Oh, oh, sorry.

REP. VILLANO: Representative Kirkley-Bey.

SEN. HANDLEY: Representative Kirkley-Bey.

REP. KIRKLEY-BEY: Thank you. Good morning to both of you.

MICHAEL STARKOWSKI: Good morning.

CLAUDETTE BEAULIEU: Good morning.

REP. KIRKLEY-BEY: I am going to pre erence my quest ons with a couple of thoughts. The Department of Social Services is to provide services to the people who are needy in the State of Connecticut. For the last five years we've done everything we can through the Department of Social Services to take the legs out from under the people who are needy in the State of Connecticut.

We have the shortest time limits, the co-pays, and

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all of these other things that have become detrimental to people to whom we have reduced the amount of money that they can get on a monthly basis. The people who are doing these programs seem to be healthy, wealthy, and wise, but the people who need the services seem to be struggling very, very badly.

Number two, we just got an \$11 million bonus because we met some criteria and we get \$267 million on an annual basis to take care of this program. And with the reimbursements that we can get, I find it very hard to believe that we are not able to provide more services. And that all of the things we have here you find detrimental to the department, and that it would cost such an inordinate amount of money to give some little bit of services.

Are you not being sued by either the pharmacies or doctors with regards to the co-pay?

MICHAEL STARKOWSKI: The pharmacies are.

REP. KIRKLEY-BEY: All right. That says to us one thing, that they are -- from \$4.10 down to \$3.30, now down to \$3.00 cannot afford to service the Medicaid clients that we are sending to them, and the Medicaid clients that we're sending to them, after having reduced the amount of money they get, cannot afford to pay the co-pay. So what do we do to resolve that? What would the Department of Social Services say would be the way to resolve that problem?

MICHAEL STARKOWSKI: Rep Kirkley-Bey, there are over 600 pharmacies right now in the State of Connecticut, and we realize that some of those pharmacies have gone out in the past year or two. We don't think it's only because of the changes we made in our programs and our reimbursement.

As I stated in my testimony, the commercial plans negotiated with pharmacies and they accept dispensing fees of \$1.50 to \$2.00 to \$2.50. We feel that it is appropriate that our level of reimbursement for the dispensing fee is comparable

to what the commercial entities could negotiate with your pharmacist, your change in your local pharmacist.

REP. KIRKLEY-BEY: So you're saying that the rate you are basing this on has nothing to do with whether it's a one person owned pharmacy or a CVS, or a Walgreen's, or an Arrow, which are multiples.

MICHAEL STARKOWSKI: Right. Because the dispensing fee is not the only thing that they have the ability to make a profit margin on. If you read the reports that are done by the OIG, the Office of Inspector General, reviewed pharmacies throughout the country, and said that some products the pharmacies can make up to a 60% profit. So it's not only the dispensing fee. The dispensing fee is only a small, and I'll admit, a small stipend to a pharmacy to cover their administrative costs. The balance is made on the product itself.

REP. KIRKLEY-BEY: And this is what you are saying to me, Mike, is that we'll reduce the dispensing fee, and what you need to do is now I have to pay you a buck-fifty, or whatever it is, for my thing, but if I need to buy something like Pepcid, raise it 60 cents so now that I have to buy it across this counter because it is no longer a prescribed drug, make the profit that you would have made on the dispensing fee on Pepcid.

MICHAEL STARKOWSKI: No, I am just trying to explain that --

REP. KIRKLEY-BEY: No, that's what you are saying.

MICHAEL STARKOWSKI: That's where --

REP. KIRKLEY-BEY: You are saying charge me 60 cents on some other product that I may have to use to make up for the deficiency you are getting from me as a dispensing fee from a pharmacy.

MICHAEL STARKOWSKI: No, what I wanted to say, and what I started to say was, our rates are higher than commercial rates, so what we would like to do is bring --

REP. KIRKLEY-BEY: Define commercial for me.

MICHAEL STARKOWSKI: The managed care companies don't pay anywhere near \$3.30 as a dispensing fee. And we can substantiate that they pay between a dollar and a half and \$2.50. So why should the stipend to the pharmacies be on the back of the Department of Social Services, on the back of our program --

REP. KIRKLEY-BEY: Because the back of the Department of Social Services is to hold up the poor in the State of Connecticut. And not have them continuously becoming more poor and less educated than they were before we started this wonderful thing called welfare as we know it, or Tanaff. I'll move on.

This audit, how often do you do these audits?

MICHAEL STARKOWSKI: We do the audits -- we are always in the process of doing audits, so we --

REP. KIRKLEY-BEY: You are always in the process of doing a lot of things. How often do you do audits, and how many people do you have doing them?

MICHAEL STARKOWSKI: We have a couple of people available, a couple of auditors available and one pharmacist available that go out and audit pharmacies.

REP. KIRKLEY-BEY: And how many pharmacies do we have?

MICHAEL STARKOWSKI: About 600 pharmacies.

REP. KIRKLEY-BEY: So about how many do you see a year?

MICHAEL STARKOWSKI: We had -- in about three years, we did about 267, and it depends on the scope of the audit. Sometimes it's an audit on particular product, because we had an advisory from the OIG, or an advisory from the Center for Medicare/Medicaid Services, or fraud control, that a particular product, there is some abuse out in the -- in pharmacies. So we may do a limited scope audit, where we do something pretty much by a letter, and then ask for records, and then get

records from a particular pharmacy, and then review.

Some of them, depending on the one I had cited in here, that had a million -- 1.8 million claims, that was a fiscal audit where we sent auditors down, we sent a pharmacist down, and we literally reviewed claims and reviewed the substantiation at the pharmacy.

REP. KIRKLEY-BEY: If you just eliminated the fraud in Medicare, you could pay for all these programs. But we don't go after the doctors, we go after the people that have to pay the dollar and dollar and 50-cent co-pay.

Next question that I have for you. This broker service you were talking about --

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MICHAEL STARKOWSKI: Yes.

REP. KIRKLEY-BEY: -- and you have a Request for Proposal out and are receiving responses?

MICHAEL STARKOWSKI: Yes.

REP. KIRKLEY-BEY: Are these all Connecticut companies that are responding, or none of them are Connecticut companies responding?

MICHAEL STARKOWSKI: To the best of my knowledge, none of them are Connecticut companies.

(Gap in testimony changing from Tape 1A to 1B.)

REP. KIRKLEY-BEY: -- you're saying, that of the amount of money we would pay these people to put all these dentists, or whoever it is, under one umbrella --

MICHAEL STARKOWSKI: Yes.

REP. KIRKLEY-BEY: -- that their administrative costs would not exceed what we are paying right now for the program as we are running it.

MICHAEL STARKOWSKI: That's right.

services, and specifically regarding dental care. We've had a number of public hearings where the formula that we utilize and the reimbursement, and the paperwork -- we've had dentists coming up here saying, we would do whatever we could to help participate -- to participate in this program, but we can't go broke. And so we have to beg off the program. And so over a course of years what we find is that there just are not dental services out there for the poor in Connecticut. We have dentists that want to participate, but we have completely pulled the rug out from underneath them.

So when we talk about the policies that we move forward with, regarding providers, whether it's hospitals, whether it's nursing homes, whether it's pharmacies, whether it's dentists, whether it's doctors, there's sort of two components to that. Because if we undermine what we do with the providers, they can't provide services to the poor and the people that need it most in our society.

So, specifically to Representative Noujaim and the issue touched by Representative Kirkley-Bey, is do we have a coherent policy regarding pharmacies? I understand that you said that there is 60% mark-up on some of the prescription drugs that they sell. But it strikes me that we have sort of this two-prong approach that we have initiated over the last few years, where we have the co-pay, and at the same time we have the dispensing fee. We are ratcheting down on the dispensing fee, we're initiating the co-pay.

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I think there was ample public testimony that in many instances with the co-pay, those folks don't have it, and the pharmacist can't demand that they have it, they still have to provide the drugs. And so I think we have heard from a number of individuals that they shallow that. And so we're ratcheting down from the top, we're forcing them to shallow what they can't get from the public, and it strikes me that that's creating tremendous pressure on them.

And what my concern is, and my specific question is, are we looking at this, and I am not

particularly interested in the Inspector General of the United States, but are we focused on this in Connecticut such that we don't wake up two years from now and find that dozens and dozens of pharmacies are out of business or are not in those areas where the indigent are, where those in need are, so that those folks can receive their prescription drugs. I mean, do we have a focused policy as to how we treat those providers?

MICHAEL STARKOWSKI: A couple of things on that. In the pharmaceutical arena, we've tried to attack the problem in multiple ways. We have the prior authorization, generic substitution, we're starting a preferred drug list, so we're trying to get at the actual cost of the product, to keep that product cost down.

The single item in our budget that moves -- that has expanded the quicker over the past five years or more is the pharmacy line item. Just about five years ago we were spending in the \$200 and some odd million range, and now we are spending over \$540 million next year, that's what we are estimating. So that's how we try to get at some of the manufacturer's cost, and try to bring that price down.

As far as the client's, trying to assign some responsibility to the clients, we proposed, and this legislature passed, a co-pay, to try to say where the clients could afford a co-pay, then they should be obligated to do their best to try to pay the co-pay. And in some situations, and if we talk to some particular pharmacists, they will tell you that the majority, or significant numbers of their clients are paying the co-pay. We understand that in a lot of situations the clients aren't paying because they have the ability to make that payment, make the \$1.50 payment.

In addition to that, we have looked at the national reports. And I know you're not interested in what the OIG has to say nationally. But when you look at some of the dollar levels of the profit margins at the pharmacies, and we have actually been meeting with the Attorney General's Office over the

average wholesale price that we pay pharmacies. And what's that profit margin at the pharmacies themselves?

So what we have tried to do is attack the problem in three different ways really. Try to get at the pharmacies themselves, the individuals, and the manufacturers. And ever since we've started all these processes, the number of pharmacies may have fluctuated a little bit, but the bottom hasn't dropped out. And I wouldn't want to sit here and be characterized as the victim for bringing down the small pharmacies in the State of Connecticut.

You know, we all grew up with little local hardware stores, and those are almost disappearing right now. We all grew up with little bookstores in the corner, and five and dimes, but those are disappearing. You can see what happened with pharmacies, as bad as the pharmacy situation may be, pharmacies, like banks, turned up in all of the major supermarkets, and in fact, in the Wal-Mart's around the state.

So I think that there are other avenues and opportunities and there must be some profit margins there if they are showing up in pharmacies, and on street corners now as chains, and they are showing up in Wal-Mart's.

SEN. KISSEL: Well, I guess I just would conclude with this. You say that the state wants to look at what the private sector pays to -- or dispense fees, and how the relationships are. I actually believe that the fundamental mission of the State of Connecticut is different than the private sector. The private sector can be very brutal, can be very capitalistic, and companies can gobble up other companies, and just leave a trail of tears.

We have a different goal. We can't just let things wither on the vine because they are instrumental in providing the last safety net. So we have to be more mindful. We can't just go out there and be on the same level -- same playing field with private side in all instances, especially when we're dealing with programs that are designed for the poor and the indigent.

At first blush, I will tell you that the notion of co-pay struck me as it made sense. You know, what's good for middle-class citizens throughout the State of Connecticut would be good for the poor. But the more testimony that I hear, and the more that I learn about it, these are folks that we have made a determination that they do not have enough money to survive, and thus we create these programs to help them get from week to week to week. So, if we institute something like a co-pay, that essentially is a reduction in what we are giving them. And we're channeling this money to them to be asked for by the pharmacies.

I mean, it can -- it might have the inadvertent down side of limiting access to programs. I think that part of it is swallowed by the pharmacists themselves. It's certainly embarrassing if you have so little money in your pocket and you're forced to tell someone in a line at a pharmacy, "I don't have the money to do this." And as someone who serves on the Select Committee on Aging, that might befall a lot of our indigent seniors. And so, I am not so sure that everything that works in the private sector can be applied to the public sector. And so I think that we have other priorities, and we have to be a little bit more mindful.

So, while I agree with you that some of these policies as they have rolled out may have been effective, I would hope that, at least on an annual basis, we take a step back and we say, "What is the essential impact the totality of our policies are having on providers in the State of Connecticut. And how is that passed through to the provision of the final safety net services to those who are disabled, who are seniors, who are indigent and poor in our state?"

And I'm not so sure that we have that kind of coherent game plan. I think that much of what we have done over the last several years, or last couple of years, specifically, are cost saving measures. Some of them will turn out to be successful, but I think that we have to be honest

with ourselves, and some of them we may have to roll back and say, "It was a bad idea." And thank you very much, Mr. Chairman.

REP. VILLANO: Thank you, Senator Kissel.  
Representative Pawelkiewicz.

REP. PAWELKIEWICZ: Thank you Mr. Chairman. Good morning, Mike, good morning, Claudette. First of all, I'd like to just precede my remarks by saying thank you to the Commissioner for the re-opening of the Department of Social Service Office in Willimantic, on Monday, yesterday, Sept. 8<sup>th</sup>. And both of your roles --

(Applause)

REP. PAWELKIEWICZ: -- it was -- these are not times for happy news, so I just wanted to share that with my colleagues, and I know that both of you had significant role in that re-opening.

Mike, my first question is SB 555, Mike, I heard you testify that the Lincoln payment rate increased for the state employee COLAs does not give adequate consideration to cost changes for non-personnel items. I wondered if you had a ratio of the personnel vs. the non-personnel items.

MICHAEL STARKOWSKI: The primary cost is personnel items.

REP. PAWELKIEWICZ: About 85 - 90% would you say?

MICHAEL STARKOWSKI: I would say probably between 75 and 85%.

REP. PAWELKIEWICZ: And so what I'm puzzled at is that if I took like non-personnel items, like health care and fuel, I think that the proportion of non-personnel items would be higher than the COLA that we're talking about, so I just wondered what your thoughts were in terms of that formula.

MICHAEL STARKOWSKI: Well, pegging it on a state employee COLA, first of all, there's -- if you watch the contracts, depending on the bargaining unit, there is not a standard state employee COLA,

REP. GIBBONS: I guess we had had a lot of discussion about the pharmacists, and I agree with Senator Kissel, that not only have we reduced their dispensing fee, we have also told them they have got to absorb the co-pays. And I'd like to be able to cherry pick out of these, but I think each one of us would -- as to which -- how we would prioritize them. But I just wanted to know if you had specific interests as to where you would add the dollars back in first if you had to or were able to. HB 5508

MICHAEL STARKOWSKI: We can have some discussion on that.

REP. GIBBONS: Thank you Commissioner. Thank you Mr. Chairman.

REP. VILLANO: Representative Thompson.

REP. THOMPSON: I didn't realize I was going to be all alone down here.

(Laughing)

REP. THOMPSON: I forgot we lined up this way. I have a question on your testimony on page 6. It's about the requirement to seek a waiver to permit increase participation on educational activities. Using the testimony it's public policy that a person -- the only way a person would be able to participate in some kind of educational activity would be to do it on their own time. They would also -- if they're under the time, they would also be required to work. Is that correct? SB 554

CLAUDETTE BEAULIEU: I believe that people can use educational activities after their first 20 hours of work or work preparation activity. So as part of their 30 hours that they're now required to participate in some sort of activity, educational activities can fit within that 20 - 30 hours. And I believe we can also provide some measure of vocational education for the first 20 hours, but I believe that is limited --

MICHAEL STARKOWSKI: It is no more than 30% of our