

**Governor Rell: Connecticut Seeking
New Federal Health Care Dollars**

***First State to Pursue Health Care Reform
Revenue, Coverage Opportunities***

Governor M. Jodi Rell today announced that her administration is taking swift action aimed at saving Connecticut taxpayers at least \$53 million under the national health care reform legislation.

“We are moving aggressively to take advantage of the new legislation on behalf of both state taxpayers and vulnerable residents in need of health coverage,” Governor Rell said.

Federal officials have told the Rell Administration that Connecticut is the first state to formally seek approval to cover more people under Medicaid and, in the process, to capture tens of millions of dollars in new federal revenue.

“Specifically, we are pursuing federal funding for medical coverage of about 45,000 single individuals in the State-Administered General Assistance, or SAGA, program,” the Governor said. “Currently, the cost for this coverage is borne entirely by the state. We now have an opportunity to change that, and I am encouraged by the constructive discussions between my administration and the federal government.”

This week, Governor Rell directed the Department of Social Services, administering agency of the SAGA program, to submit a Medicaid state plan amendment to the U.S. Department of Health and Human Services’ Centers for Medicare and Medicaid Services.

With this action, Connecticut is requesting approval to transfer the 45,000 single, low-income adults covered by SAGA into the larger Medicaid program. Medicaid has an extensive health care benefit package and – significantly for the state budget – provides 60% in federal reimbursement for state expenditures.

“We expect to gain net savings of at least \$53 million over the next 15 months through this approach,” the Governor said.

Social Services Commissioner Michael P. Starkowski, who submitted the state plan amendment to the federal government Tuesday, said Medicaid coverage and federal revenue would be retroactive to April 1, 2010, if the state plan amendment is approved under the Patient Protection and Affordable Care Act.

Currently, the State-Administered General Assistance Program provides medical coverage to very low-income, single, childless adults who do not qualify for Medicaid because they are under age 65, do not have a permanent qualifying disability, are not pregnant, or do not have a child under age 19. Connecticut’s request to transfer SAGA beneficiaries to the Medicaid program would effectively expand Medicaid to cover this group.

“While there will be some additional up-front state expenditure in Medicaid, the state will come out far ahead by receiving -- for the first time -- tens of millions of dollars in new federal Medicaid revenue for this population going forward,” Commissioner Starkowski said.

“On behalf of the State of Connecticut, I would like to thank officials of the Centers for Medicare and Medicaid Services in Boston and Baltimore for being so receptive to Connecticut’s efforts to provide for early expansion of Medicaid as national health care legislation took shape,” Governor Rell said. “I look forward to rapid progress with this initiative and in providing relief to Connecticut taxpayers.”