

Healthcare Affordability Standard Advisory Committee

January 14, 2020

The Connecticut Office of Health Strategy and
The Connecticut Office of the State Comptroller



What is Affordable Healthcare?

Healthcare is affordable in Connecticut if a family can reliably secure it to maintain good health and treat illnesses and injuries when they occur without sacrificing the ability to meet all other basic needs including housing, food, transportation, childcare, taxes, and personal expenses or without sinking into debilitating debt.



Measuring Healthcare Affordability in CT

The Office of Health Strategy and the Office of the State Comptroller are collaborating in a two-step project:

Step 1: Update Connecticut's Self-Sufficiency Standard

Step 2: Create a new Healthcare Affordability modeling tool

Working with expert consultants from the University of Washington and UCONN Analytics and Information Management Solutions (AIMS).

With generous support from and in partnership with the Connecticut Health Foundation and the Universal Health Care Foundation of Connecticut.



Measuring Healthcare Affordability in CT

The Healthcare Affordability Standard is a **modeling tool** that will project the economic impact on households of varying healthcare costs including premiums, deductibles and co-pays.

The modeling tool will calculate affordability based on different wages and family sizes in different regions in our state and will also take into account medical risk level and type of insurance coverage.



The Self-Sufficiency Standard for Connecticut 2019



Self-Sufficiency Standard – A Refresher

The federal poverty measure has become out of date and suffers from several problems:

- It is too low,
- It does not vary by place or age of child,
- It does not reflect the realities facing families today.

The Standard is an alternative measure of income adequacy to the official poverty measure that addresses these shortcomings of the FPL.



Self-Sufficiency Standard – A Refresher

The **Self-Sufficiency Standard** is based on a basic needs budget, with amounts for each item set by what the government has determined is adequate for those receiving assistance. There are six basic items:

- **Housing**
- **Child Care**
- **Food**
- **Health Care**
- **Transportation**
- **Miscellaneous (clothing, toiletries, etc.)**
 - We also include Taxes/Tax Credits



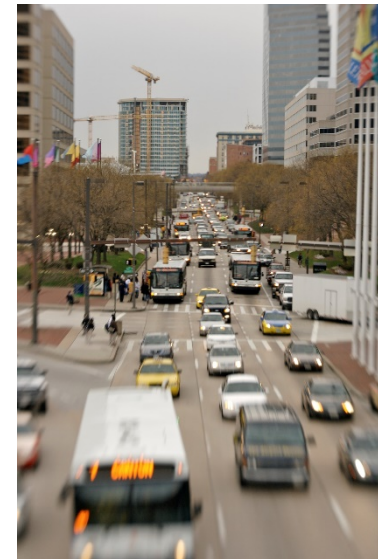
Each Budget Item is Varied by :

Family Composition



Varies by number of adults and age of children, for a total of 719 family types.

Place



Costs vary by where one lives: Manhattan, KA vs. Manhattan, NYC



Budget Exercise for New Britain

MONTHLY COST	1 ADULT + 1 PRESCHOOLER + 1 SCHOOLAGE
Housing	
Child Care	
Food	
Transportation	
Health Care	
Miscellaneous	
Taxes and Tax Credits	
TOTAL	
Monthly Income	
Annual Wage	
Hourly Wage	

*Assumes the net effect of taxes and tax credits. Tax Credits include the Earned Income Tax Credit, the Child Care Tax Credit, the Child Tax Credit. All tax credits are assumed to be received monthly.



Budget Exercise for New Britain

MONTHLY COST	1 ADULT + 1 PRESCHOOLER + 1 SCHOOLAGE
Housing	\$1,185
Child Care	\$1,680
Food	\$618
Transportation	\$284
Health Care	\$506
Miscellaneous	\$427
Taxes and Tax Credits	\$684
TOTAL	
Monthly Income	\$5,384
Annual Wage	\$64,609
Hourly Wage	\$30.59

*Assumes the net effect of taxes and tax credits. Tax Credits include the Child Care Tax Credit, the Child Tax Credit. All tax credits are assumed to be received monthly.



The Self-Sufficiency Standard for Select Connecticut Places and Family Types, 2019

Town	One Adult	One Adult One Preschooler	One Adult One Preschooler One School-age	Two Adults One Preschooler One School-age
Bridgeport	\$24,972	\$63,610	\$77,566	\$81,937
Glastonbury	\$26,011	\$55,286	\$64,609	\$72,666
Hartford	\$22,398	\$51,120	\$60,708	\$64,833
Middletown	\$27,654	\$58,156	\$68,625	\$77,195
New Britain	\$26,011	\$55,286	\$64,609	\$72,666
New Haven	\$26,111	\$55,864	\$65,925	\$70,391
New London	\$25,617	\$52,892	\$60,918	\$69,209
Sprague	\$25,588	\$52,864	\$60,889	\$69,152
Stamford	\$37,703	\$79,020	\$94,335	\$99,668
Torrington	\$25,052	\$53,478	\$65,082	\$73,245
Waterbury	\$25,480	\$53,565	\$64,955	\$73,217
Windham	\$23,516	\$49,179	\$56,738	\$63,896

An Excel file of all 700+ family types for each town can be downloaded at: <https://portal.ct.gov/OHS> or www.selfsufficiencystandard.org/connecticut

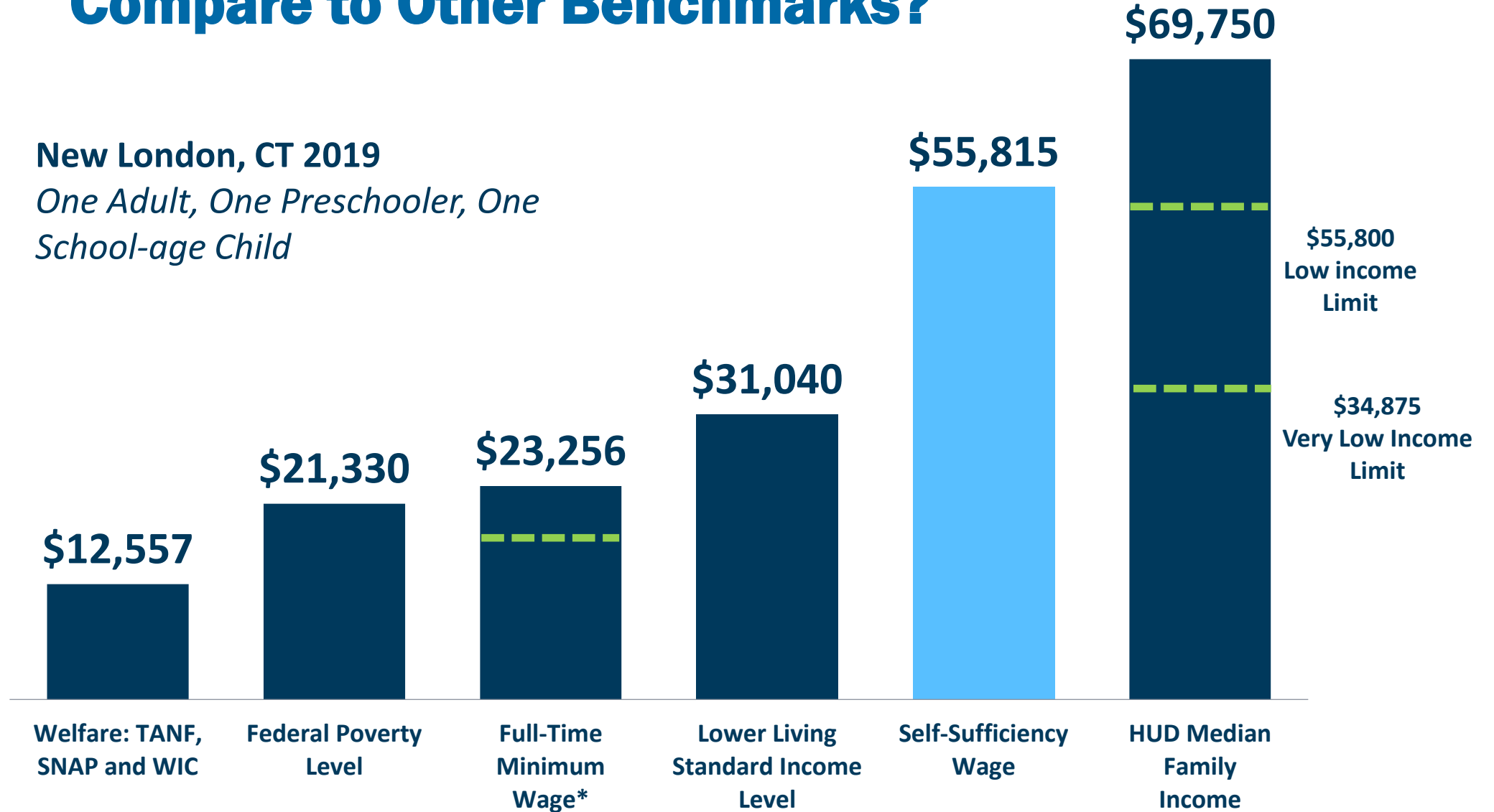




\$55,800
Low income Limit

How Does the Self-Sufficiency Standard Compare to Other Benchmarks?

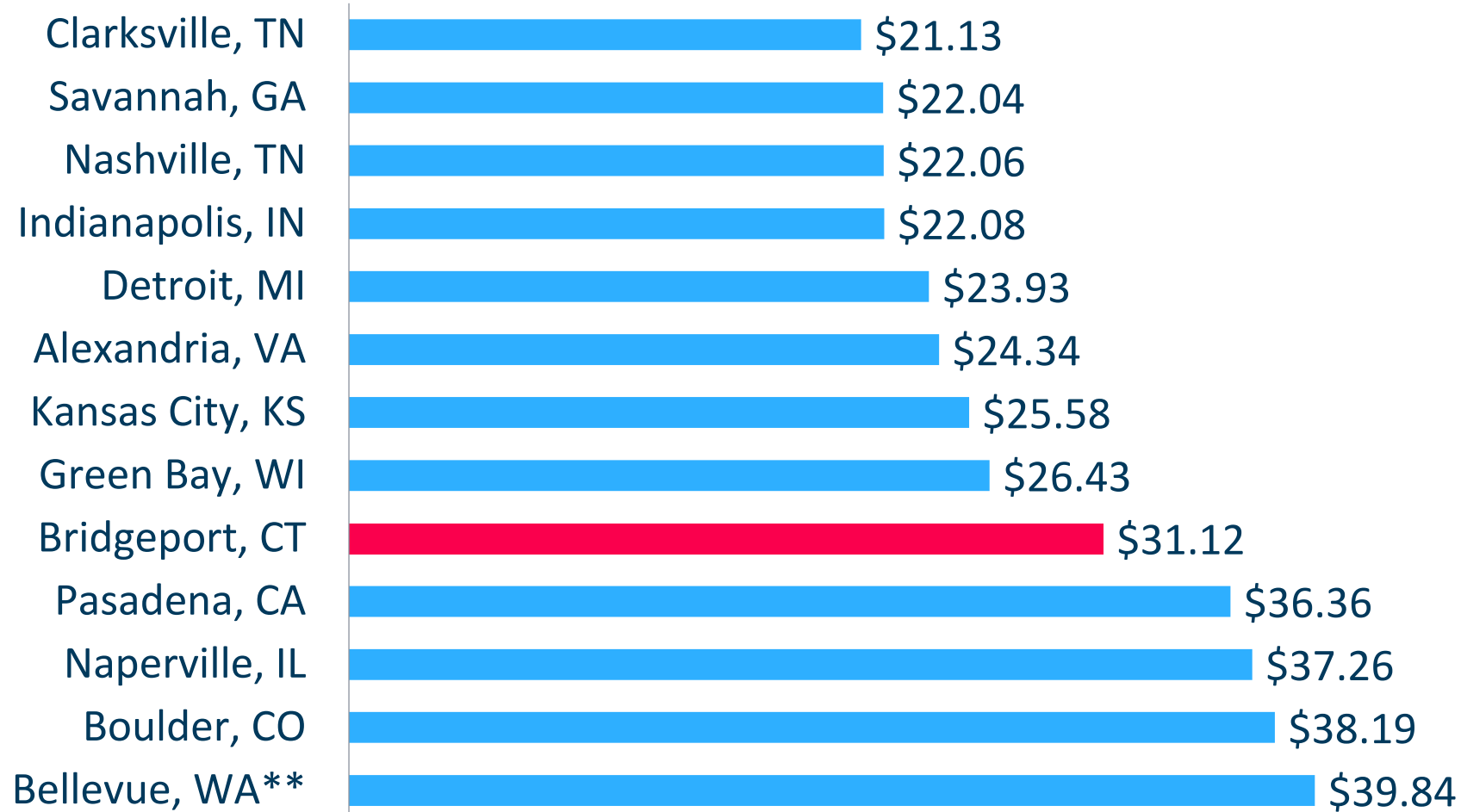
New London, CT 2019
One Adult, One Preschooler, One School-age Child



How Do Costs in Connecticut Compare?

Bridgeport Compared to Other U.S. Cities, 2019

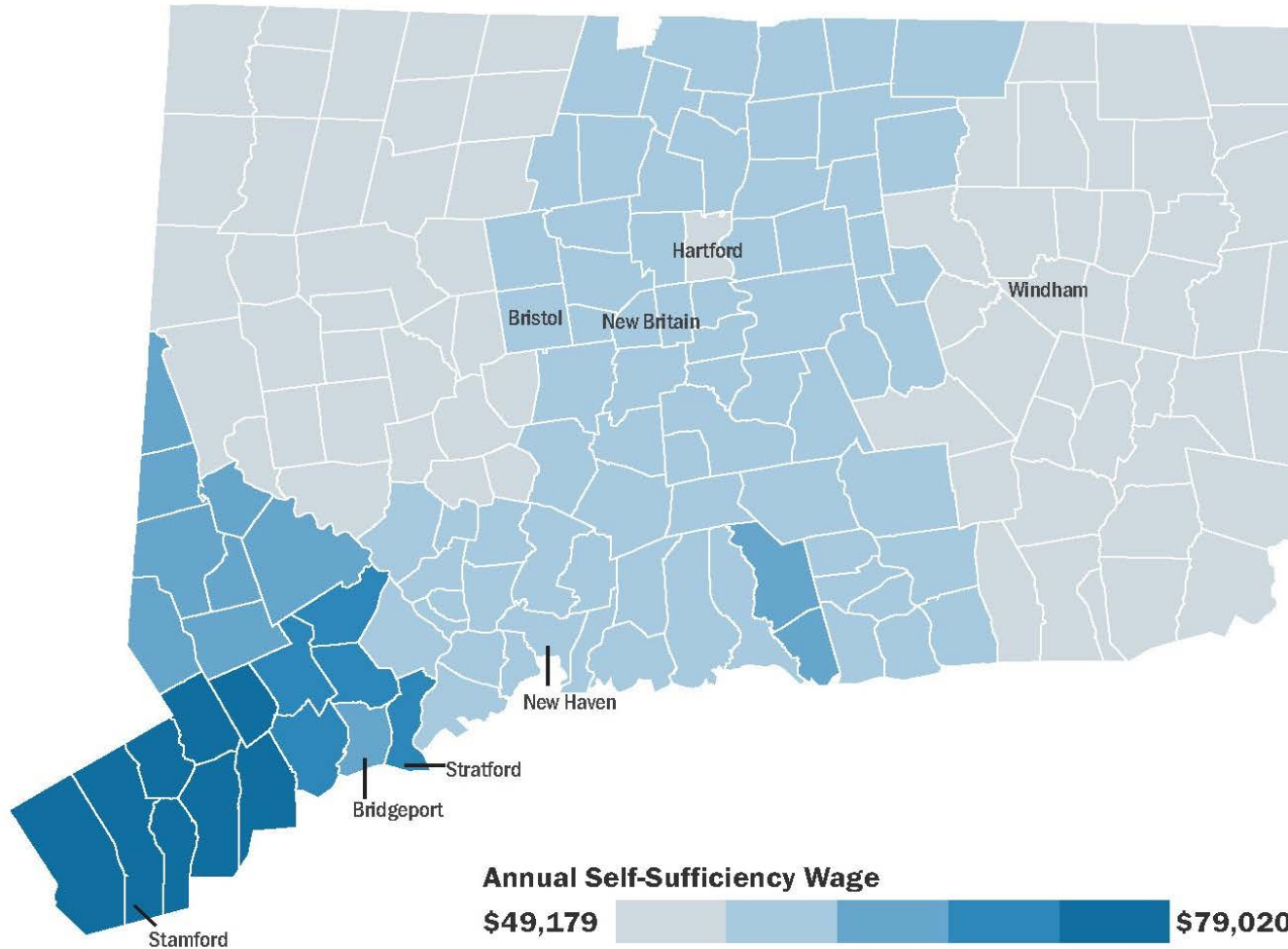
One Adult, One Preschooler, One School-age Child



How Does The SSS Vary Across Connecticut?

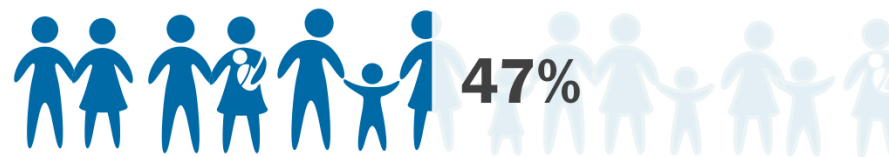
The Self-Sufficiency Standard For One Adult And One Preschooler, 2019

FIGURE A. Map of Towns by Level of Annual Self-Sufficiency Income
One Adult and One Preschooler, CT 2019

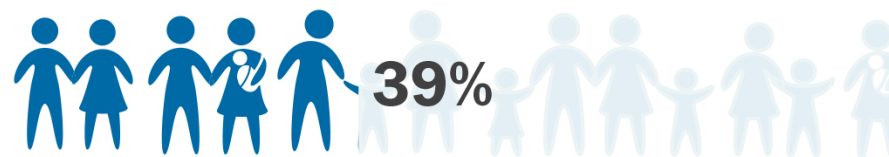


Who Lacks Adequate Income By Race/Ethnicity?

LATINX



BLACK



ALL OTHER



ASIAN AND PACIFIC ISLANDER

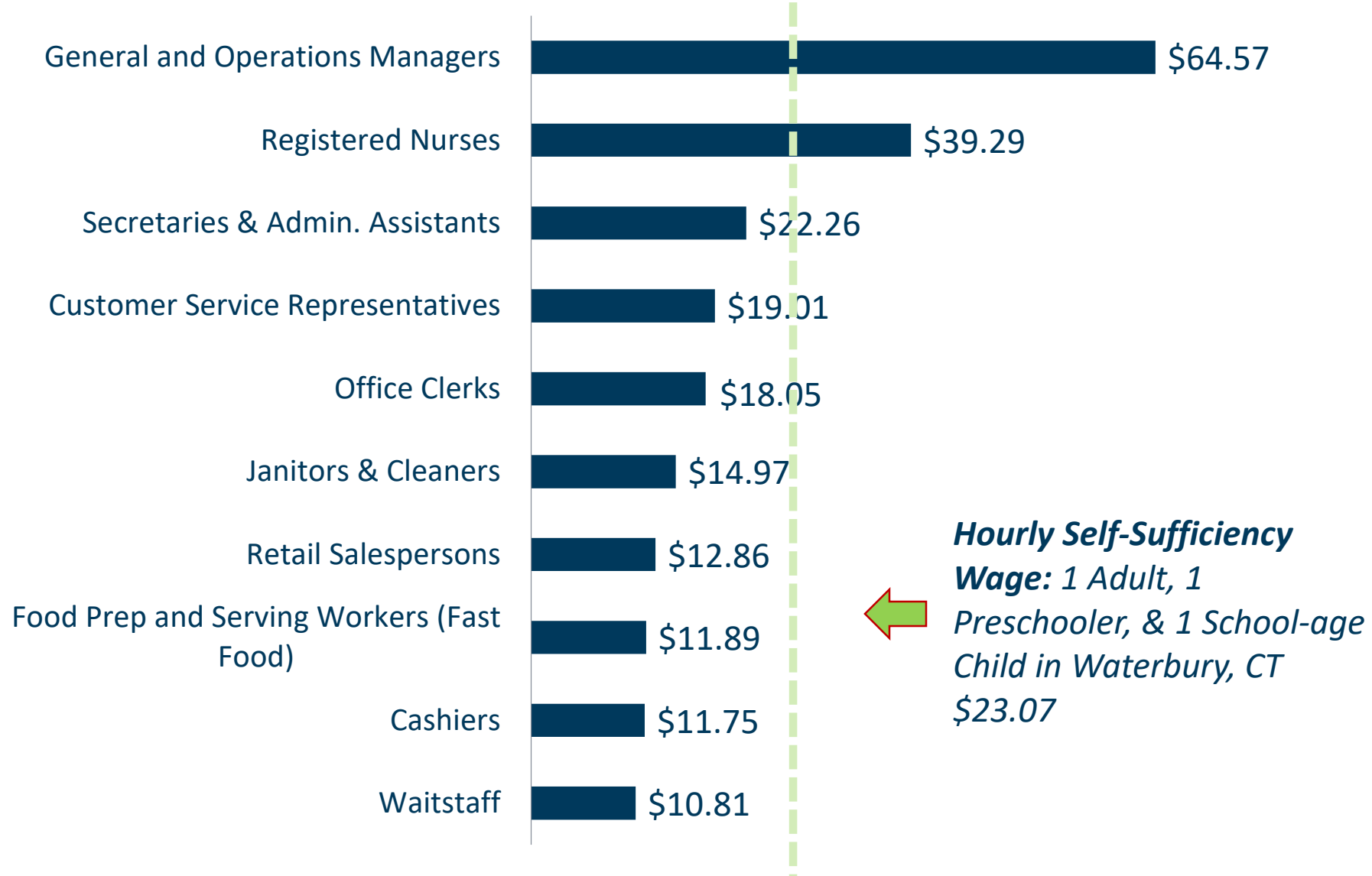


WHITE



How Do Connecticut's Top 10 Jobs Compare?

The Standard Compared to Median Wages of Connecticut's Ten Largest Occupations



The Impact of Work Supports

Hartford, CT 2019: One Adult, One Preschooler, One School-age Child

Wage Needed Without Work Supports =
\$5,097 per month

MONTHLY EXPENSES

TAXES	\$	1,045
MISC	\$	405
HEALTHCARE	\$	506
TRANSPORTATION	\$	63
FOOD	\$	618
CHILD CARE	\$	1,680
HOUSING	\$	1,185
TAX CREDITS	\$	405

Wage Needed With
Work Supports =
\$2,472 per month

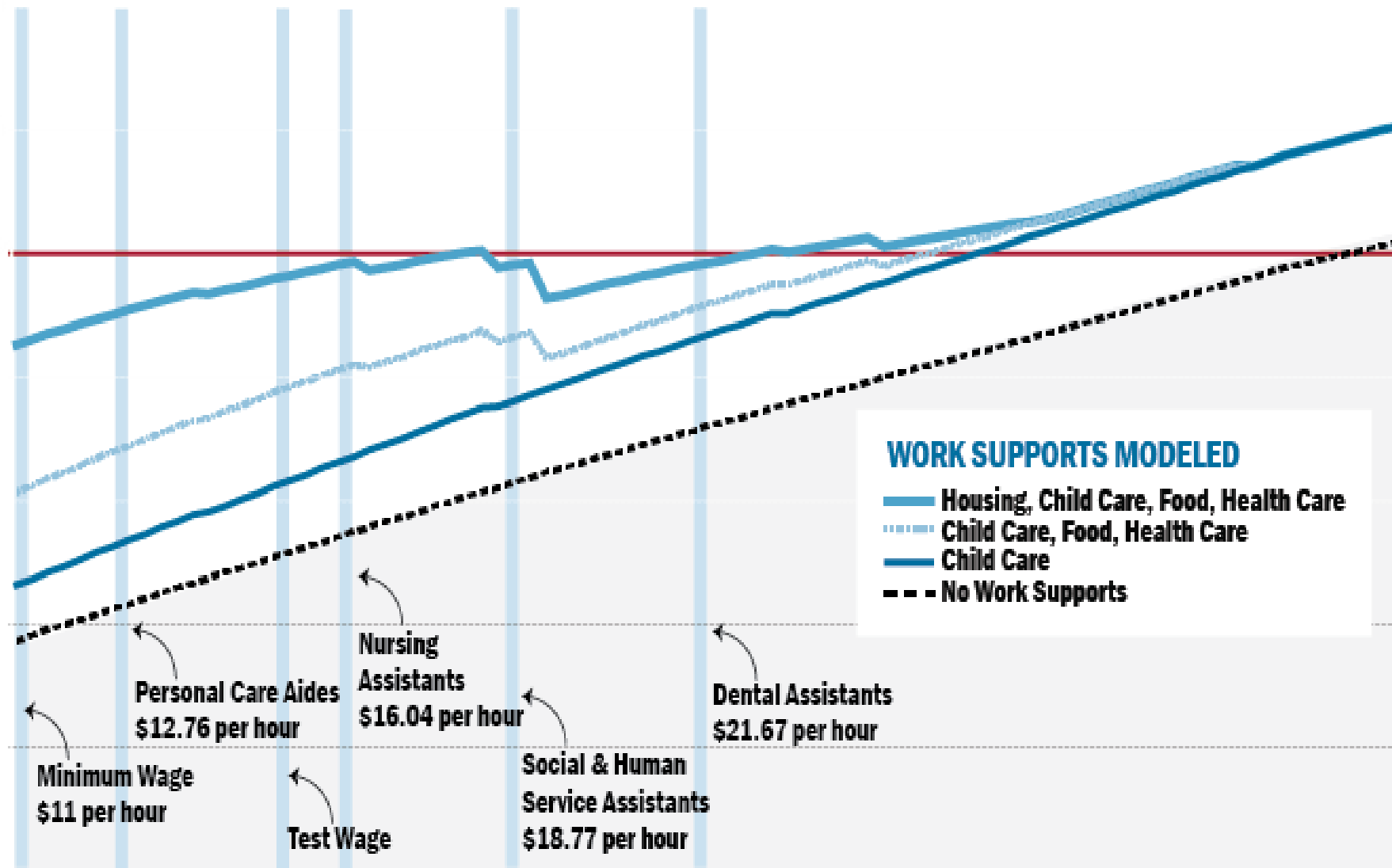
EXPENSES AFTER WORK SUPPORTS

TAXES	\$	337
MISC	\$	405
HEALTHCARE		0
TRANSPORTATION	\$	63
FOOD	\$	371
CHILD CARE	\$	660
HOUSING	\$	730
TAX CREDITS	\$	94



How Work Supports Impact Wage Adequacy

Percentage of Wage Adequacy

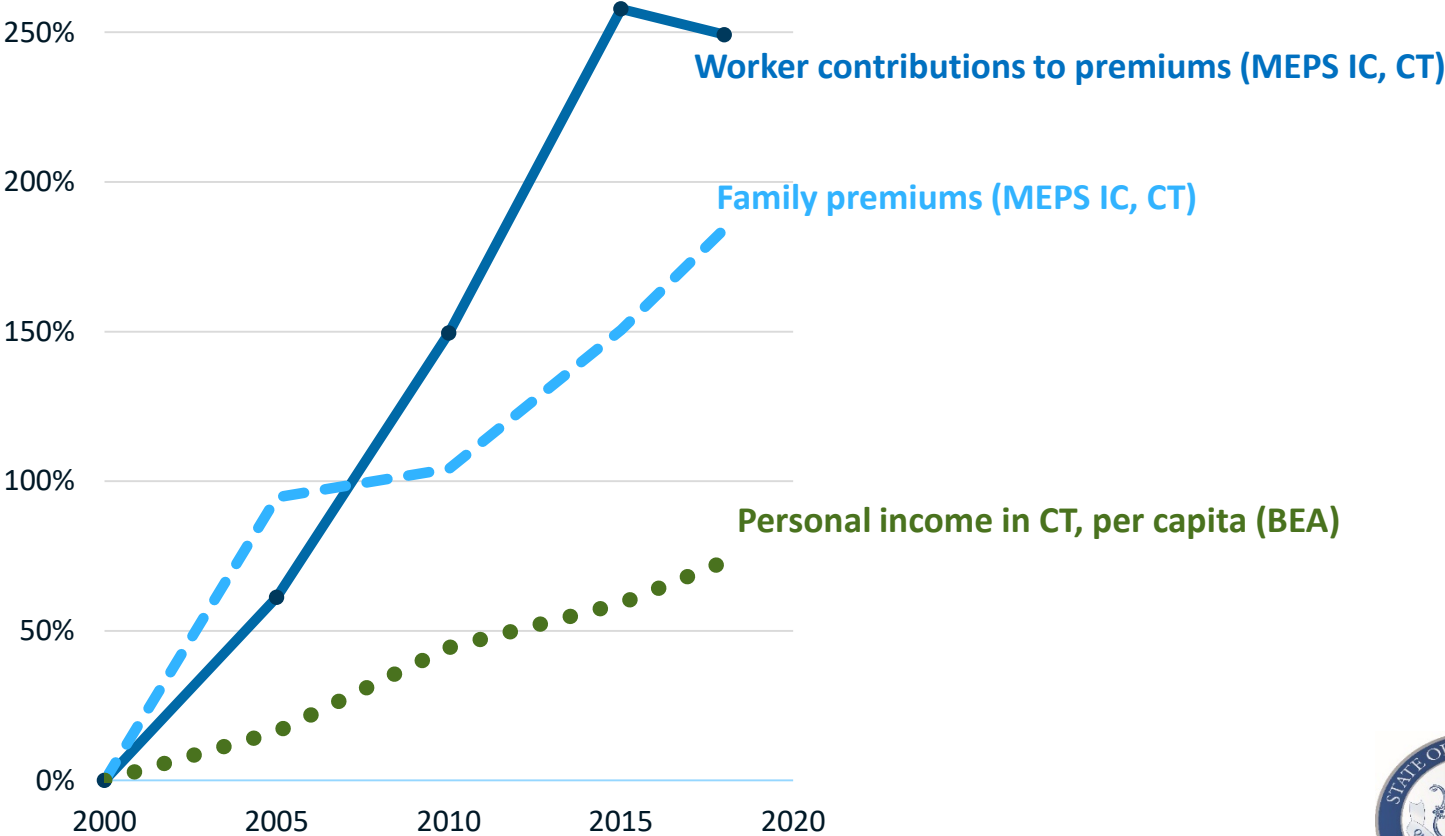


Hourly Wage (Full Time)



Healthcare remains unaffordable to many

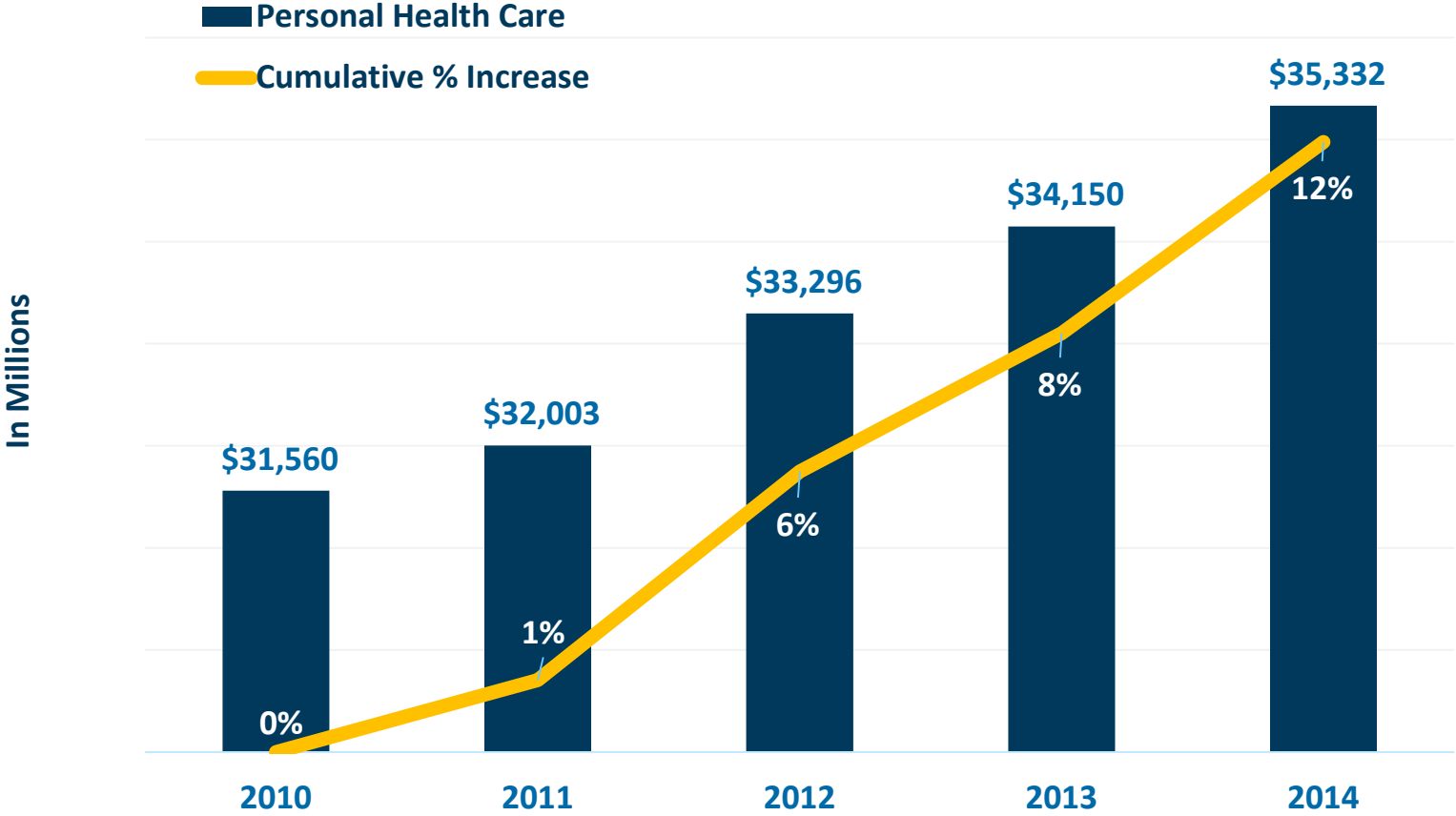
Since 2000, Connecticut employer-sponsored insurance premiums have grown **two and half times** faster than personal income



Source: Medical Expenditure Survey, Tables D.1 and D.2 for various years



Personal Health Care Expenditures in Connecticut grew 12% in five years



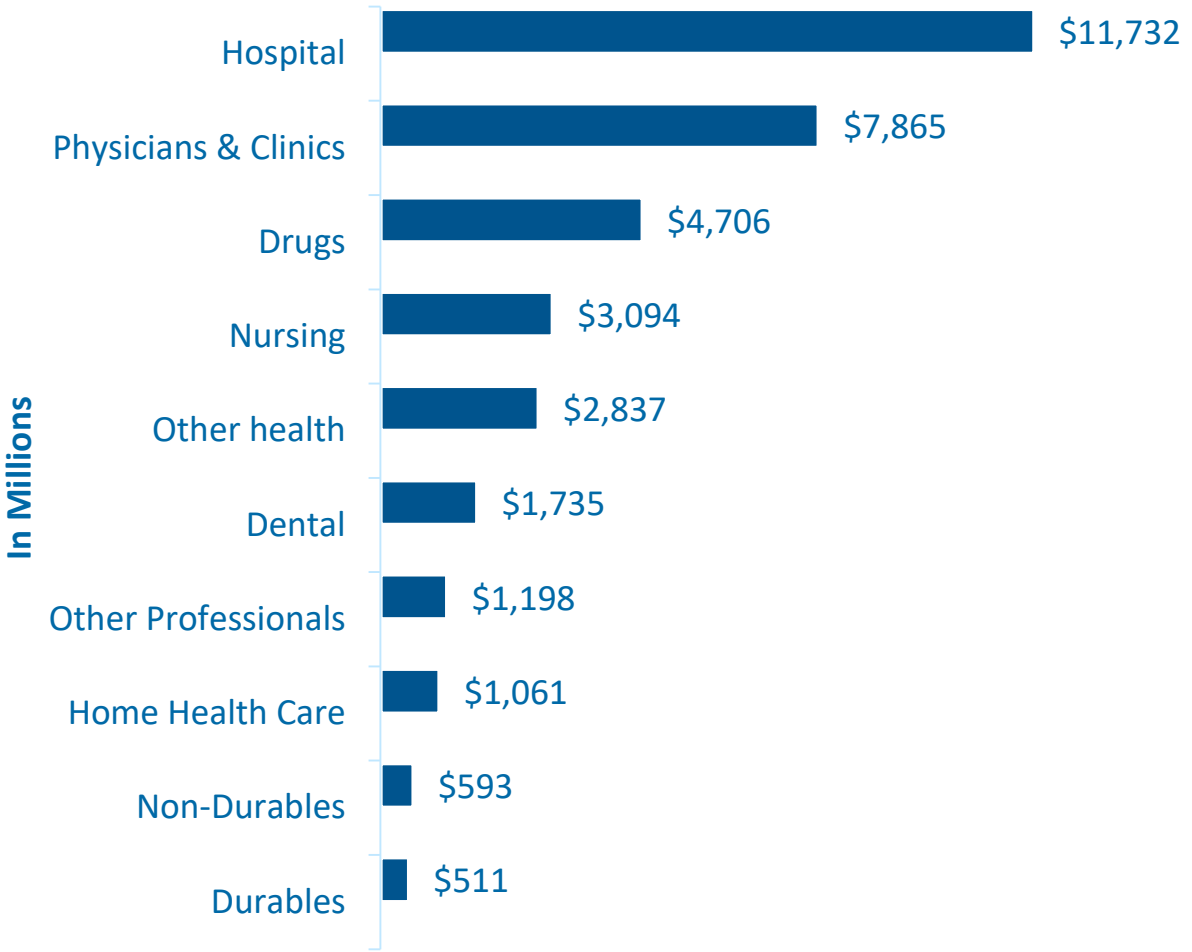
Personal Health Care Expenditure as a Percentage of GDP averaged 14% from 2010-2014

Source: CMS State Expenditure by Provider 2014

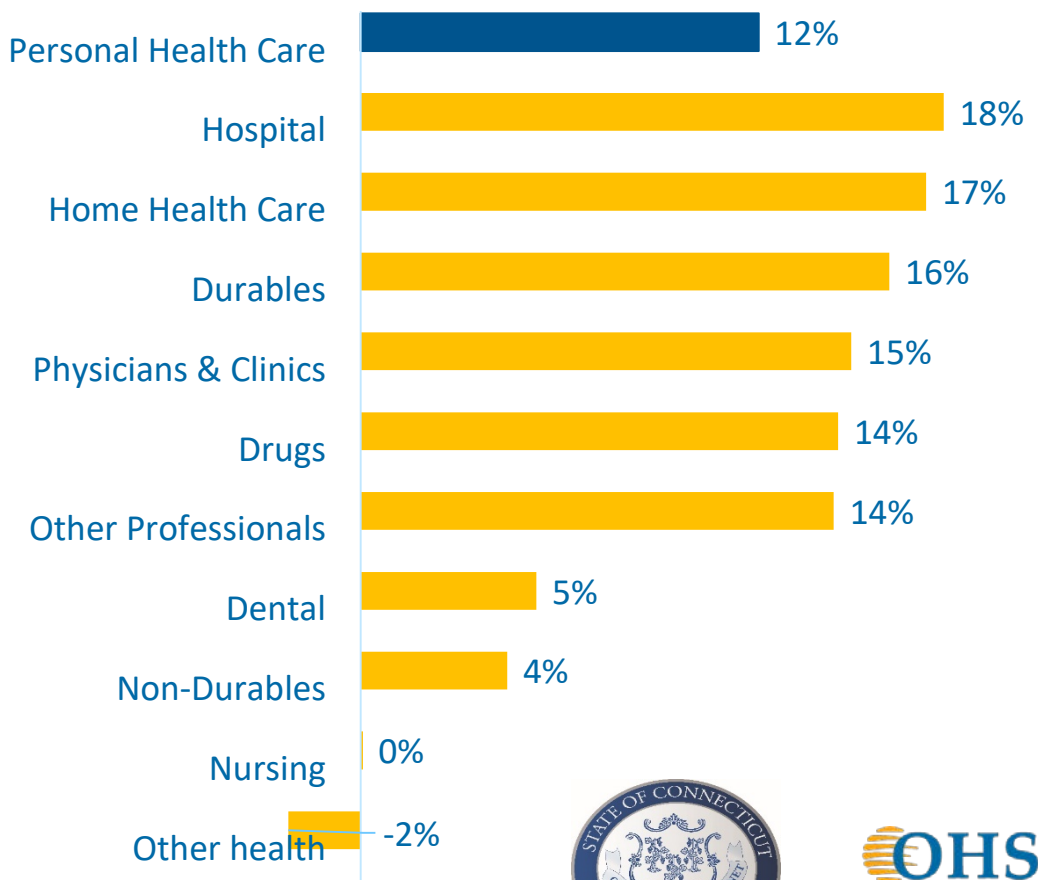


Top Three Expenditure Areas in CT ... Hospital, Physicians & Clinics and Prescription Drugs

Expenditure by Provider in 2014



Cumulative Increase Expenditure by Provider: 2010-2014



Source: CMS State Expenditure by Provider 2014



Healthcare Affordability Modeling Tool

In order to assess the affordability of different health care policies, the University of Washington team will substitute the current health care costs in the Self-Sufficiency Standard budget with more detailed health care cost projections provided by the UCONN team.

Health care projections will vary by:

- Insurance status
- Health risk status
- Demographic characteristics



Healthcare Affordability Modeling Tool

Using the 2019 Self-Sufficiency Standard as a framework, the CT Healthcare Affordability modeling tool will help decision-makers and stakeholders assess how different health care policies will affect the ability of Connecticut residents to meet their healthcare costs without sacrificing other basic needs including housing, food, transportation, child care and taxes, or without falling into debilitating debt.

