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WEDNESDAY, JUNE 23, 2021

COMPTROLLER LEMBO, OHS DIRECTOR VELTRI ANNOUNCE CONNECTICUT HEALTHCARE AFFORDABILITY INDEX

New Healthcare Research and Affordability Tool to Analyze Policy and Guide Lawmakers

A new report issued Wednesday shows approximately 18% of Connecticut households with adults under the age of 65 face unaffordable health care costs. (Medicare-age and other adults in categories not considered part of the workforce are outside the scope of this report.)

The *Connecticut Healthcare Affordability Index (CHAI)*, a collaborative effort between the Connecticut Office of Health Strategy (OHS) and the Office of the State Comptroller (OSC), is a tool to help policymakers understand the real costs of healthcare and the challenges that Connecticut residents face in meeting their basic expenses. The goal of the project is to provide a tool for data and analysis to inform policies and practices that will make quality, reliable healthcare affordable to all.

Using the tool, OHS and OSC calculated a household spending target:

Families purchasing healthcare or paying copays, deductibles and co-insurance should devote no more than between approximately 7% and 11% of their household expenses to healthcare, depending on family size. This is a CT Household Healthcare Spending Target that predicts affordability.

“There is an ongoing crisis of health care affordability in Connecticut,” said **Comptroller Kevin Lembo**. “This report presents clear data that shows how issues affording adequate coverage reach every corner of our state and leave thousands behind. The struggles faced by people of color and families with children are especially jarring. This should outrage people. Fortunately, this report also presents an opportunity to act. I urge all lawmakers to use this tool to turn rhetoric into action and show their work by explaining how they plan to make health care more affordable in our state.”

“Healthcare affordability in Connecticut depends upon variables many residents cannot predict or control, and for many of them, unaffordable healthcare means inadequate resources left over for other necessities like food, shelter, childcare, and transportation,” **OHS Executive Director Victoria Veltri** said. “The good news is that the government can take actions that improve affordability and make things better – as we can see with the temporary benefits now available through the federal American Rescue Plan Act and the new state Covered Connecticut Program that will start this July and offer no-cost insurance through Access Health CT to an additional 40,000 low-income adults by July 2022. Connecticut’s new Healthcare Affordability Index is a tool available to measure the impact of healthcare policies on affordability for state residents. Whether changes are

made by administrative or legislative action, we have the data to understand what those changes will mean in people's lives as they seek the care they need and pay their household bills."

OHS and OSC worked with researchers from the Center for Women's Welfare at the University of Washington School of Social Work and from the University of Connecticut Analytics and Information Management Solutions (UConn AIMS) to develop this tool.

The CHAI measures the impact of healthcare costs, including premiums and out-of-pocket expenses, on a household's ability to afford all basic needs, like housing, transportation, childcare, and groceries. CHAI starts with the Self-Sufficiency Standard for Connecticut, which was announced in 2019, and adds in additional details that influence healthcare costs such as type of insurance coverage, age, and health risk. The index calculates healthcare costs and affordability for 19 different household types across Connecticut.

The project was partially funded and guided by the CT Health Foundation and the Universal Healthcare Foundation of Connecticut. OHS and OSC also convened a public advisory committee to review and provide input as the tool was developed.

Single parents — particularly Black, Indigenous, People of Color (BIPOC) single mothers — are the most likely to struggle to afford the basic needs of their households including healthcare costs.

"Achieving health equity requires ensuring that people are able to afford health care so that they have meaningful access to the health care system," said **Tiffany Donelson, President and CEO of Connecticut Health Foundation**. "As this research makes clear, people of color are more likely than other Connecticut residents to struggle to afford health care. This tool can help us recognize where the biggest challenges are and design solutions that will be the most effective in getting people access."

Healthcare is deemed 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.

"This research, and the tool that emerged from it, have established Connecticut has a national leader in measuring healthcare affordability," said **Lisa Manzer, Director of the Center for Women's Welfare at the University of Washington School of Social Work**. "When you're in a position where you can't meet your basic needs, you are forced to make impossible decisions: how do you budget with only 75% of what it takes to get by? Healthcare is not affordable if purchasing it reduces a family's ability to pay rent or buy food for their teenager. Now policymakers have more tools to make their own decisions and address the cost of healthcare using research and data."

"For many individuals and families, health care is a non-negotiable expense. It is a basic human need," said **Frances G. Padilla, President of Universal Health Care Foundation of CT**. "Too many Connecticut residents are forced to make unimaginable choices between paying premiums, filling prescriptions, and paying for other basic needs. The index gives us a powerful tool for decision makers to evaluate the impact of policies intended to increase access and affordability of health care."

According to the report completed in December 2020:

- Healthcare is significantly more affordable for people with employer-based coverage than for those buying plans in the individual marketplace.
- Households with young children experience higher rates of inadequate income and are at the highest risk of being unable to afford healthcare costs.
- Because the cost of health care increases with age, older adults purchasing coverage in the individual market face additional burdens.
- Geography plays a factor. High-cost areas of the state face unique affordability challenges as do families in urban centers.

To view the reports, visit healthscorect.com/connecticuthealthcareaffordabilityindex.

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