

## Rhode Island news

# Senate panel hears plans to cut health care for poor families

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Rep. Thomas Slater, chairman of the House Finance Committee's subcommittee on human services, talks with Corinne Calise Russo, director of the Department of Elderly Affairs, as Rep. Raymond Church, center, listens.

The Providence Journal / Connie Grosch

PROVIDENCE — The fight could have begun in the State House basement yesterday.

The man who proposed cutting health care for 10,000 low-income children was called to the House Finance Committee to discuss his plans. The cuts, among a package of Department of Human Services' proposals submitted to the governor last month, are among the most controversial suggestions aimed at helping to balance a budget deficit projected to be as high as \$450 million for the fiscal year that begins in July.

But the Democrat-dominated committee didn't ask DHS Director Gary Alexander what effect the health-care cuts would have on the children, nor did lawmakers ask about the impact on hospitals as uninsured families turn to emergency rooms for health care.

The hearing that many in the audience expected to produce fireworks fizzled out after about half an hour.

"I think what you saw is people being resigned to this, even though no one wants to do it," said Lucie Burdick,

president of Local 580 of the social workers' union, who attended yesterday's hearing.

Governor Carcieri has refused to say exactly which proposals will be included in his 2008-'09 spending plan, due to be released tomorrow. But the Finance Committee took the unusual step this year of holding hearings on the department proposals, used by the governor to craft his budget.

"Knowing that this is an extraordinary year, there may be some of these items that may get into the budget," House Finance Committee Chairman Steven M. Costantino, D-Providence, said.

DHS has proposed reducing RIte Care income eligibility requirements to cut health-care coverage for 7,396 adults and 8,501 children, according to the department's figures. Another 2,000 children of undocumented immigrants would also lose coverage.

"It's very difficult when anybody is losing a benefit. We're faced with a serious crisis in this state with a \$450-million deficit. We got to this crisis because your spending is more than your revenue," Alexander said after the hearing in the basement-level meeting room. "We're trying to look at alternatives, but there's no money out there."

The committee yesterday focused on the feasibility of Alexander's proposals. Many would require federal approval in addition to a change in state law as soon as April, he said, to ensure that the new limits would be in place for the beginning of the next fiscal year.

The proposed RIte Care changes would reduce eligibility for parents with incomes under 185 percent of the federal poverty level (\$31,765 for a family of three) to 133 percent (\$22,836 for a family of three).

Current law allows for subsidized health care for children in some families, even if the parents don't qualify. The department has proposed cutting eligibility for children in those families earning up to 250 percent of the federal poverty level (\$42,925 for a family of three) to 150 percent (\$25,755).

Other proposed cuts not discussed yesterday in detail include new insurance copays for low-income families; reduced reimbursement rates for hospitals, nursing homes and childcare providers; cutting 400 poor children out of the preschool Head Start program; and the elimination of welfare benefits for an estimated 1,600 people.

But the bulk of the department's proposed savings would come from RIte Care. Those cuts would save Rhode Island taxpayers \$22.3 million next year, according to department projections. The state would forgo an additional \$23.9 million in federal funding.

Advocates argue that RIte Care is an efficient use of Medicaid dollars, which amount to \$1.66 billion of the state's current \$7-billion budget.

The 129,111 Rhode Islanders who received RIte Care benefits last year represented 70 percent of Medicaid beneficiaries, but consumed 20.6 percent of all Medicaid funding, according to the state's Annual Medicaid Expenditure Report, released in April.

Meanwhile, most medical spending is directed toward long-term care for adults with disabilities and the elderly, although they make up a combined 24 percent of those receiving health benefits.

Alexander explained why his proposed cuts focus on low-income children and their parents, as opposed to the elderly.

"A lot of these people fought for this nation, a lot of veterans, a lot of elderly people who made this nation great. You can't compare. It's not apples to apples. And I think we have to draw a line as to where the safety net and what we can and cannot afford."

He continued: “People have a right to have dignity at the end of their life. Younger children, hopefully they’d have parents that would be aggressively trying to find employment to take care of them. A lot of elderly people don’t have that.”

Meanwhile, Finance Committee member Rep. Tom Slater, D-Providence, said to expect more hearings on proposed human-service cuts.

“We’ll take more bites at this apple,” he said.

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