

# *Healthcare Affordability Standard Advisory Committee*

1st Meeting on May 8, 2019

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



# Agenda

- |   |         |
|---|---------|
| 1. Convene and Welcome                  | 5 mins  |
| 2. Introductions                        | 10 mins |
| 3. Overview & Self-Sufficiency Standard | 15 mins |
| 4. Dr. Diana Pearce                     | 40 mins |
| 5. Next Steps                           | 20 mins |
| 6. Adjourn                              |         |



# Overview

- The Office of Health Strategy and the Office of the State Comptroller are collaborating to update the Connecticut State Self-Sufficiency Standard last published in 2015 and to expand the use of the standard by developing a *Healthcare Affordability Standard* for Connecticut.
- This project is generously supported by the CT Health Foundation and the Universal Health Care Foundation of Connecticut who are partners in the development of these policy tools.
- Dr. Diana Pearce from the University of Washington School of Social Work will be acting as a consultant to update the Self-Sufficiency Standard.



# What is Affordable Healthcare?

*A Working Definition to utilize in our task:*

*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, child care, taxes, and personal expenses or without sinking into debilitating debt.*



# What is the intent of a Healthcare Affordability Standard for Connecticut?

- To have an analytic tool to measure and understand the potential for policy effectiveness, to inform policymaking to maximize positive impact, and to avoid unintended consequences of proposed ideas.

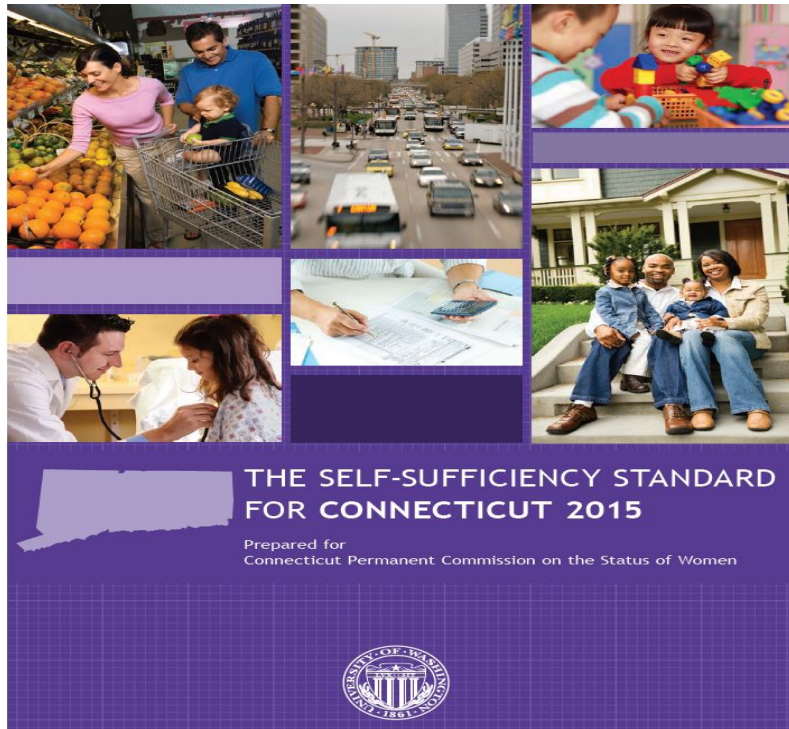


# What is the intent of a Healthcare Affordability Standard for Connecticut?

- This will allow advocates and policymakers to judge various healthcare reforms and proposals against a formula that will project the effect such reforms will have on the capacity of families in Connecticut to maintain quality healthcare coverage and meet their basic economic needs.
- This will allow advocates, policy-makers, and others to assess and select policy options that will have the greatest impacts on improving self-sufficiency and healthcare affordability for those most in need, reducing disparities in healthcare affordability across populations.



# 2015 Connecticut Self-Sufficiency Standard



<http://www.selfsufficiencystandard.org/connecticut>

Table 1. Items Included in the Standard

COST	WHAT IS INCLUDED IN BUDGET?
<b>HOUSING</b>	YES: Rent and Utilities NO: Cable or telephone
<b>CHILD CARE</b>	YES: Full-time care for infants and preschoolers, and before and after school care for school-age children NO: After school programs for teenagers, extracurricular activities, babysitting when not at work
<b>FOOD</b>	YES: Food for home preparation NO: Take-out, fast-food, or restaurant meals or drinks
<b>TRANSPORTATION</b>	YES: Car ownership cost (per adult)—insurance, gas, oil, registration, repairs, monthly payment—or public transportation when adequate. Only for commuting to work and day care plus a weekly shopping trip NO: Non-essential travel, vacations, etc.
<b>HEALTH CARE</b>	YES: Employer-sponsored insurance premium and out-of-pocket costs NO: Health savings account, gym memberships, individual health insurance
<b>TAXES</b>	YES: Federal and state income tax and tax credits, payroll taxes, and state and local sales taxes NO: Itemized deductions, tax preparation fees or other taxes
<b>MISCELLANEOUS</b>	YES: Clothing, shoes, paper products, diapers, nonprescription medicines, cleaning products, household items, personal items, and telephone service NO: Recreation, entertainment, debt payment, pets, education, gifts, internet, student loan repayment
<b>SAVINGS</b>	YES: Rainy day fund for job loss or other short-term crisis. NO: Long-term savings for retirement, education, or home-ownership.

Detailed information on the methodology of the Self-Sufficiency Standard and the Connecticut specific data sources, are included in *Appendix A: Methodology, Assumptions, and Sources.*



# 2015 Connecticut Self-Sufficiency Standard

The Self-Sufficiency Standard for Connecticut Regions and Select Family Types, 2015

	ONE ADULT	ONE ADULT ONE PRESCHOOLER	ONE ADULT ONE PRESCHOOLER ONE SCHOOL-AGE	TWO ADULTS ONE PRESCHOOLER ONE SCHOOL-AGE
WATERBURY	\$23,664	\$50,233	\$61,535	\$70,182
GREATER WATERBURY	\$26,259	\$53,838	\$65,008	\$73,513
DANBURY	\$30,187	\$61,917	\$73,885	\$82,351
GREATER DANBURY	\$32,340	\$64,072	\$76,619	\$84,327
NORTHWEST CORNER	\$23,926	\$51,279	\$62,708	\$71,219
BRIDGEPORT	\$21,688	\$54,142	\$64,940	\$70,003
STRATFORD	\$26,912	\$59,942	\$70,586	\$79,682
STAMFORD	\$38,623	\$74,600	\$87,013	\$93,026
NAUGATUCK VALLEY	\$26,721	\$54,893	\$66,427	\$75,139
UPPER FAIRFIELD	\$35,517	\$71,024	\$83,438	\$90,117
LOWER FAIRFIELD	\$40,721	\$77,800	\$89,914	\$95,447
HARTFORD	\$19,233	\$46,753	\$59,553	\$63,381
HARTFORD SUBURBS	\$27,381	\$56,436	\$68,742	\$77,309
NORTH CENTRAL	\$26,818	\$55,764	\$68,222	\$76,801
NEW HAVEN	\$23,641	\$51,597	\$63,185	\$67,225
UPPER CONNECTICUT RIVER	\$27,858	\$56,221	\$68,078	\$77,246
GREATER NEW HAVEN	\$29,788	\$58,449	\$69,750	\$78,467
LOWER CONNECTICUT RIVER	\$30,286	\$61,181	\$73,394	\$81,896
WINDHAM	\$20,842	\$44,657	\$53,436	\$61,064
GREATER WINDHAM	\$27,277	\$53,074	\$62,175	\$71,025
NEW LONDON	\$22,804	\$47,787	\$57,209	\$65,990
GREATER NEW LONDON	\$25,662	\$51,864	\$61,228	\$70,164
NORTHEAST CORNER	\$22,812	\$47,590	\$56,189	\$63,901





# 2015 Connecticut Self-Sufficiency Standard

TABLE 2. The Self-Sufficiency Standard for Select Family Types\*  
Monthly Expenses and Shares of Total Budgets: Bridgeport, CT 2015

MONTHLY COSTS	ONE ADULT		ONE ADULT, ONE PRESCHOOLER		ONE ADULT, ONE PRESCHOOLER, ONE SCHOOL-AGE		TWO ADULTS, ONE PRESCHOOLER, ONE SCHOOL-AGE	
	Costs	%	Costs	%	Costs	%	Costs	%
Housing	\$828	46	\$1,054	23	\$1,054	19	\$1,054	18
Child Care	\$0	0	\$1,186	26	\$1,676	31	\$1,676	29
Food	\$304	17	\$462	10	\$696	13	\$955	16
Transportation	\$70	4	\$70	2	\$70	1	\$140	2
Health Care	\$199	11	\$592	13	\$615	11	\$671	12
Miscellaneous	\$140	8	\$336	7	\$411	8	\$450	8
Taxes	\$265	15	\$945	21	\$1,156	21	\$1,154	20
Earned Income Tax Credit (-)	\$0	0	\$0	0	\$0	0	\$0	0
Child Care Tax Credit (-)	\$0	0	(\$50)	-1	(\$100)	-2	(\$100)	-2
Child Tax Credit (-)	\$0	0	(\$83)	-2	(\$167)	-3	(\$167)	-3
<b>TOTAL PERCENT</b>		<b>100</b>		<b>100</b>		<b>100</b>		<b>100</b>
<b>SELF-SUFFICIENCY WAGE</b>								
HOURLY**	\$10.27		\$25.64		\$30.75		\$16.57	per adult***
MONTHLY	\$1,807		\$4,512		\$5,412		\$5,834	combined***
ANNUAL	\$21,688		\$54,142		\$64,940		\$70,003	combined***
EMERGENCY SAVINGS FUND	\$33		\$74		\$99		\$50	

\* The Standard is calculated by adding expenses and taxes and subtracting tax credits. The "Taxes" row includes federal and state income taxes and payroll taxes.

\*\* The hourly wage is calculated by dividing the monthly wage by 176 hours (8 hours per day times 22 days per month).

\*\*\* The hourly wage for families with two adults represents the hourly wage that each adult would need to earn, while the monthly and annual wages represent both parents' wages combined.

Note: Totals may not add exactly due to rounding.



# 2015 Connecticut Self-Sufficiency Standard

FIGURE 1. Map of Regions by Level of Annual Self-Sufficiency Wage  
One Adult and One Preschooler, CT 2015

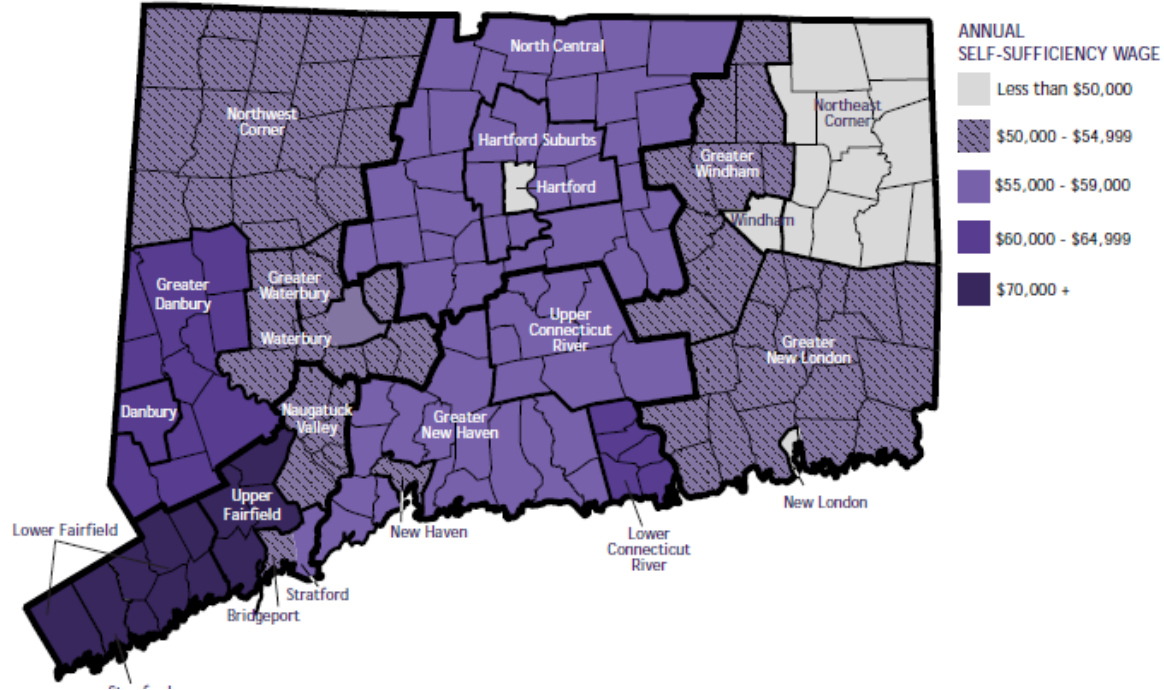
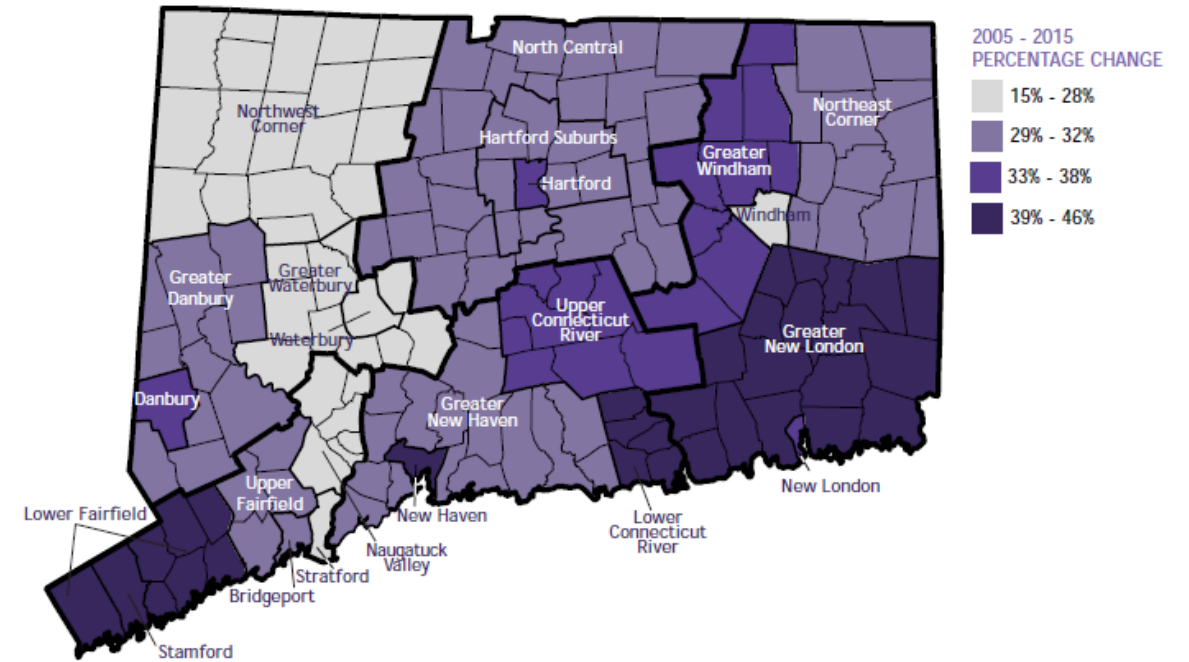


Figure 5. Percentage Change in the Self-Sufficiency Standard for Connecticut between 2005 and 2015  
Two Adults, One Preschooler and One School-Age Child, CT 2015



# Next Steps

- Form working groups. Proposed:
  - **Use cases working group** - how will we use the Affordability Standard?
  - **Data working group** - what are the best variables and where can we obtain the data?
  - **Design and development** - advice on building the tool
- Timelines



**Thank you for attending this first meeting of the  
Healthcare Affordability Standard Advisory  
Committee. We look forward to working with all of  
you on this important initiative.**

