



Senate

General Assembly

January Session, 2003

File No. 322

Senate Bill No. 98

Senate, April 14, 2003

The Committee on Human Services reported through SEN. HANDLEY of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING DEMOGRAPHIC DATA PROVIDED TO THE MEDICAID MANAGED CARE COUNCIL.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (d) of section 17b-28 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2003*):

4 (d) The Commissioner of Social Services shall provide monthly
5 reports on the plans and implementation of the Medicaid managed
6 care system to the council. Such reports shall include the total number
7 of persons enrolled in HUSKY Plan, Parts A and B, as defined in
8 section 17b-290, and demographic data on the gender, race and age of
9 all such enrollees.

10 Sec. 2. Section 17b-28b of the general statutes is repealed and the
11 following is substituted in lieu thereof (*Effective October 1, 2003*):

12 On and after January 1, 1997, the Department of Social Services may

13 award, on the basis of a competitive bidding procedure, contracts for
 14 Medicaid managed care health plans. On and after October 1, 2003, the
 15 Commissioner of Social Services shall provide quarterly reports to the
 16 advisory council on Medicaid managed care established pursuant to
 17 section 17b-28, as amended by this act, on the utilization of
 18 administrative service organizations that contract with the Department
 19 of Social Services to provide health care services to persons enrolled in
 20 HUSKY Plan, Parts A and B. Such reports shall include: (1) The total
 21 number of HUSKY Plan, Parts A and B enrollees who receive health
 22 care services as a result of the department's contracts with
 23 administrative service organizations, and (2) measurement of the
 24 quality of the health services provided through administrative service
 25 organizations to HUSKY Plan, Parts A and B enrollees, pursuant to
 26 such contracts.

27 Sec. 3. (NEW) (*Effective October 1, 2003*) The Commissioner of Social
 28 Services shall ensure that all managed care health plans with which the
 29 department contracts for the delivery of health care services to HUSKY
 30 Plan, Part A enrollees, establish a fee schedule for reimbursement to
 31 providers offering case management services to HUSKY Plan, Part A
 32 enrollees with complex physical and mental health care needs, and
 33 that the fee under such schedule not be less than the fee paid by the
 34 department to providers offering case management services to
 35 children with complex behavioral health needs.

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|--|------------------------|
| This act shall take effect as follows: | |
| Section 1 | <i>October 1, 2003</i> |
| Sec. 2 | <i>October 1, 2003</i> |
| Sec. 3 | <i>October 1, 2003</i> |

HS *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Type | FY 04 \$ | FY 05 \$ |
|-------------------------------|------------------|------------------------------------|-----------------------------------|
| Department of Social Services | GF - Cost | \$1.95 million to \$2.8 million | \$2.6 million to \$3.7 million |

Municipal Impact: None

Explanation

This bill requires the Department of Social Services (DSS) to provide additional data concerning HUSKY clients and administrative services to the Medicaid Managed Care Council. These requirements will lead to additional administrative costs to the department. These costs are expected to be minimal.

The bill further requires DSS to establish a fee schedule under the HUSKY A program for case management services for enrollees with complex physical and mental health care needs. It is estimated that between 12,000 and 17,000 HUSKY A enrollees may require these case management services. Assuming a monthly fee of \$18 (based on similar fees within the department), this will result in additional annual costs between \$2.6 million and \$3.7 million. Due to the October 1, 2003 implementation date, the FY04 cost would be roughly three-fourths of this annualized cost. These additional expenditures would be eligible for 50% reimbursement from the federal government under the Medicaid program.

OLR Bill Analysis

SB 98

AN ACT CONCERNING DEMOGRAPHIC DATA PROVIDED TO THE MEDICAID MANAGED CARE COUNCIL.**SUMMARY:**

This bill makes two changes in what the Department of Social Services (DSS) is expected to report to the Medicaid Managed Care (MMC) Council. First, it requires the monthly reports that DSS submits to the council to include (1) the total number of people enrolled in HUSKY Parts A and B and (2) data on their gender, race, and age. Second, it requires the DSS commissioner to give the council quarterly reports on DSS's use of administrative service organizations (ASOs) to serve HUSKY A and B enrollees.

The bill also requires the commissioner to ensure that all managed care health plans (HMOs) that contract with DSS to serve HUSKY A enrollees establish a fee schedule for reimbursing providers that offer case management services to enrollees with complex physical and mental health care needs.

EFFECTIVE DATE: October 1, 2003

DSS CONTRACTS WITH ASO

The bill requires the DSS commissioner to provide quarterly reports to the MMC council on the department's use of ASOs to provide "health care services" to HUSKY A and B enrollees. (ASOs typically provide the administrative services that enable enrollees to get the services.) The reports must (1) include the total number of enrollees who receive health care services as a result of the department's contracts with ASOs and (2) measure the quality of these services.

FEE SCHEDULE FOR HUSKY PART A ENROLLEES WITH COMPLEX PHYSICAL AND MENTAL HEALTH NEEDS

The bill requires the DSS commissioner to ensure that all of the HMOs contracting with the department to serve HUSKY A enrollees establish a fee schedule for reimbursing providers who offer case management

services to enrollees with complex physical and mental health care needs. She must ensure that these fees are no less than what DSS pays to providers offering case management services to children with complex behavioral health needs.

BACKGROUND

Husky Parts A and B, Managed Care, and ASOs for Dental and Behavioral Health “Carve Outs”

HUSKY is the name of the state’s subsidized health insurance program. Part A provides Medicaid coverage to children with incomes up to 185% of the federal poverty level (FPL) and certain adult caretaker relatives of these children. Part B provides subsidized coverage to children in families with incomes between 185% and 300% of the FPL. All enrollees must receive their health care from HMOs that contract with DSS. These plans receive a monthly fee for each enrollee they serve (“capitated rate”) to provide all of the services to which enrollees are entitled.

Beginning next year, DSS plans to “carve out” from managed care dental and behavioral health services provided to HUSKY enrollees. By removing these services from the HMOs, enrollees will be able to go to the dental or behavioral health provider of their choice, instead of having to use someone on their health plan’s provider list. (But even in the “carve out,” the providers must be Medicaid-enrolled.) As part of this change, DSS is in the process of negotiating with ASOs to handle the administrative components of the carved-out services. One of the ASO’s responsibilities will be to develop and maintain adequate numbers of dental and behavioral health providers to serve program enrollees.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Report

Yea 12 Nay 6