



House of Representatives

General Assembly

File No. 690

January Session, 2005

Substitute House Bill No. 6688

House of Representatives, May 4, 2005

The Committee on Appropriations reported through REP. MERRILL of the 54th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

**AN ACT IMPLEMENTING CERTAIN GOVERNOR'S BUDGET
RECOMMENDATIONS WITH RESPECT TO SOCIAL SERVICES
PROGRAMS.**

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

1 Section 1. Section 17b-261d of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective July 1, 2005*):

3 The Commissioner of Social Services [shall] may design and
4 implement a care enhancement and disease management initiative,
5 [which] if such initiative is determined to be cost effective by the
6 commissioner. The initiative shall provide for an integrated and
7 systematic approach for managing the health care needs of high cost
8 Medicaid recipients. Notwithstanding any provision of the general
9 statutes, the commissioner may contract with an entity to effectuate the
10 purposes of this section, provided such entity has an established and
11 demonstrated capability in the design and implementation of a disease
12 management initiative. [The] If implemented, the commissioner shall

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-Effect	FY 06 \$	FY 07 \$
Social Services, Dept.	GF - Savings	\$403,000	\$806,000

Municipal Impact: None

Explanation

This bill makes the care enhancement and disease management initiative under the Department of Social Services (DSS) permissive contingent upon whether the program is cost effective. The bill also requires DSS to establish prior authorization procedures for admission and lengths of stay in chronic disease hospitals. It is estimated that these changes will save the Medicaid program \$403,000 in FY06 and \$806,000 in FY07.

OLR Bill Analysis

sHB 6688

AN ACT IMPLEMENTING CERTAIN GOVERNOR'S BUDGET RECOMMENDATIONS WITH RESPECT TO SOCIAL SERVICES PROGRAMS**SUMMARY:**

This bill requires the commissioner of the Department of Social Services (DSS) to establish prior authorization procedures for admissions and lengths of stay for Medicaid-eligible individuals who might require care in chronic disease hospitals. (She apparently must adopt regulations to do this.) The bill permits her to administer prior authorization or any part of it by (1) contracting with someone else or (2) expanding the scope of an existing contract her department has with a utilization review contractor. The bill allows the program to go forward before regulations are formally adopted.

The bill also permits, instead of requires, the commissioner to design a care enhancement and disease management initiative and implement it if she determines that it will be cost effective. The commissioner has never implemented a program. The bill continues to require the commissioner to submit a status report on the program annually to the Appropriations and Human Services committees but only if she implements it.

EFFECTIVE DATE: July 1, 2005

AUTHORITY TO IMPLEMENT PRIOR AUTHORIZATION BEFORE REGULATIONS ADOPTED

As she is often permitted by law to do, the bill permits the commissioner to implement policies and procedures needed to carry out the prior authorization while in the process of adopting regulations, provided she publishes notice of intent to adopt the regulations in the *Connecticut Law Journal* within 20 days after implementing the program. These policies and procedures are valid until final regulations are adopted.

BACKGROUND***Prior Review For Other Health Care Institutions***

DSS staff already performs level-of-care reviews for all nursing home admissions. Staff assess whether the patient needs a nursing facility level of care.

In addition, DSS contracts with Qualidigm, Inc., which assesses whether Medicaid-eligible individuals should be admitted into acute care hospitals. The contractor assesses whether the procedures or diagnoses associated with the admission require a hospital level of care.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute Change of Reference

Yea 17 Nay 0

Appropriations Committee

Joint Favorable Report

Yea 50 Nay 0