



Written Testimony Before the Human Services Committee

March 8, 2007

S. B. No. 1350 (RAISED) AN ACT CONCERNING ADMINISTRATION OF THE STATE-ADMINISTERED GENERAL ASSISTANCE PROGRAM.

S. B. No. 1359 (RAISED) AN ACT CONCERNING THE PROVISION OF CHIROPRACTIC SERVICES UNDER THE STATE-ADMINISTERED GENERAL ASSISTANCE PROGRAM.

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H. B. No. 7173 (RAISED) AN ACT CONCERNING TRANSFER OR ASSIGNMENT OF ASSETS WITH RESPECT TO ELIGIBILITY FOR MEDICAID PROGRAM.

H. B. No. 7232 (RAISED) AN ACT CONCERNING THE ADMINISTRATION OF THE LOW INCOME HEATING ENERGY ASSISTANCE PROGRAM.

H. B. No. 7233 (RAISED) AN ACT CONCERNING HEALTH CARE ACCESS FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS.

H. B. No. 7279 (RAISED) AN ACT CONCERNING THE ADMINISTRATION OF THE MONEY FOLLOWS THE PERSON PROGRAM.

Testimony

Good morning, Senator Harris, Representative Villano and members of the Human Services Committee. My name is Michael P. Starkowski. I am the Commissioner Designee of the Connecticut Department of Social Services (DSS). Thank you for this opportunity to submit written testimony on several bills on today's public hearing agenda. At the outset, I must observe that a number of the proposals before the committee today require appropriations that are neither included in my agency's existing budget nor recommended by the Governor in her biennial budget recommendation to the state legislature. In this regard, I am happy to assist the committee in its deliberations on these measures in any way I can, but am unable to offer my support for these increased expenditures at this time.

S. B. No. 1350 (RAISED) AN ACT CONCERNING ADMINISTRATION OF THE STATE-ADMINISTERED GENERAL ASSISTANCE PROGRAM.

This bill proposes an increase in the individual SAGA cash payment to \$333 per month for a single unemployable person and a transitional individual who pays for shelter. It also proposes an increase in the family SAGA amount to equal what they would have received under the Temporary Family Assistance Program. As drafted, the bill would eliminate the fifty-dollar payment to transitional individuals without a shelter obligation as well as payments for individuals residing in rated boarding facilities. We currently have 27 SAGA individuals in rated boarding facilities who would be adversely affected. These changes, as well as the increase in cash assistance, are not reflected in the Governor's budget. In light of this and the adverse impact the bill would have on those for whom payments are eliminated, the department cannot support this bill.

S. B. No. 1359 (RAISED) AN ACT CONCERNING THE PROVISION OF CHIROPRACTIC SERVICES UNDER THE STATE-ADMINISTERED GENERAL ASSISTANCE PROGRAM.

This bill would add coverage of chiropractors to the SAGA medical program. As these services are not presently included in the Governor's Recommended budget the department is not able to support this initiative.

S. B. No. 1360 (RAISED) AN ACT CONCERNING THE AVAILABILITY OF OPTIONAL SERVICES UNDER THE MEDICAID PROGRAM.

The bill includes several service expansions that were not included in the Governor's budget and therefore cannot be supported by the Department at this time.

1. The bill would add back optional services that were eliminated from the State Plan in 2003 (chiropractors, naturopaths, etc.). Restoration of these services is not consistent with the Governor's budget.
2. The bill also calls for the addition of two new state plan services: hospice and personal care. We have never covered hospice care as a state plan service although we do pay for inpatient hospice at Connecticut Hospice in Branford and we do authorize extended nursing services for clients who are terminally ill. The technical hospice state plan benefit actually works like a capitation payment, where the home health agency providing the service gets monthly amount which includes any necessary hospital or pharmacy services. We have not done an analysis to see if the capitated approach works for the

department or the providers. In a recent meeting with the Connecticut Homecare Association, I agreed that a study of the benefit was warranted, but we are not prepared to support its inclusion in the Medicaid State Plan at this time.

3. We cover Personal Care services in several of our home and community based waivers (ABI, PCA) and we have a state-funded PCA component in the Connecticut Home Care Program for Elders. While the addition of PCA services may have certain advantages we are concerned over the potential for a “woodworking” effect. If the service is added to the State Plan, it will be difficult to limit the utilization of the service to specific populations. The Deficit Reduction Act (DRA) does offer the potential to target a revised PCA service as part of the state plan. This requires further study as a viable option if the state chooses to pursue broader coverage of PCA services.
4. The department already pays for general anesthesia for certain dental procedures on an inpatient basis.
5. Finally, the bill calls for coverage of periodontal services under Medicaid for pregnant women. There have been conflicting studies regarding the link between periodontal disease and poor birth outcomes. In any event, this initiative was not contemplated under the Governor’s budget.

S. B. No. 1361 (RAISED) AN ACT CONCERNING ADMINISTRATION OF THE TEMPORARY FAMILY ASSISTANCE PROGRAM.

This bill makes several changes to the Temporary Family Assistance (TFA) Program that expands eligibility and program benefit levels. Section 1 provides for an immediate ten percent increase in the TFA payment standard. It should be noted that any increase in the payment standard will have a corresponding increase in the Medically Needy Income Limit (MNIL) that will result in significant costs which have not have been budgeted.

Section 2 adds to the category of individuals who are exempt from time-limited benefits those with a parent whose employment is limited due to a disability that does not prevent employment, along with an additional assessment responsibility to identify any needed accommodations to allow the individual to participate in employment service activities. The department has encountered a small number of individuals that fit into this category and believes that adding this category to those exempt from time limits but not exempt from employment services requirements is appropriate.

Section 3 of the bill establishes a new state-funded work transition cash assistance program for TFA families that become ineligible due to income above the payment standard or the federal poverty level, or choose to leave the program, and whose work or other employment activities are at a level that they meet the federal TANF work participation requirements. Transitional benefits would be provided at reduced levels for one year. We understand the intent of this provision is to increase Connecticut’s TANF work participation rate in order to meet the higher standards resulting from the federal Deficit Reduction Act by continuing to provide benefits to families who meet those standards. While we agree that it could help increase Connecticut’s participation rate, there would be significant additional program and administrative costs that are not contemplated in the Governor’s budget as well as by increasing the complexity of the program. As a result we cannot support this provision

Section 4 of the bill adds to the category of those eligible for the Safety Net Program families who do not qualify for a time-limit extension and have incomes less than the TFA payment

standard. As many as 250 additional families would potentially qualify each month for Safety Net services under this provision. The Governor's budget does not include sufficient appropriations to meet the increased demand for program services that would result from this change.

Section 5 of the bill requires the department to permit "the maximum number" of TFA recipients to meet TANF work participation requirements through community service programs administered by the state's community action agencies. Community Service is an allowable TANF work activity with no limits on the percentage of the work participation rate that can be attributed to it. We have three concerns with this provision. First, the Department of Social Services does not assign TFA recipients to work activities. This is done by the Department of Labor through contracts with state's regional workforce investment boards under CGS Sec. 17b-688i. Second, the state has always interpreted community service to be a voluntary activity. Therefore, although Jobs First participants could be assigned to such activities, their participation would be voluntary and they could choose not to participate, at which point their case manager would reassign them to an alternative activity that meets the work participation requirements. In addition, in order for the activity to provide valuable work experiences to prepare them for work, the programs would have to be carefully designed and supervised. Such a program normally entails significant costs that are not included in the Governor's budget.

In conclusion, the department supports the provision in Section 2 that would add an additional category of those who are exempt from TFA time limits. However we cannot support any of the other provisions of this bill because of the significant additional costs involved that are not contemplated in the Governor's budget.

S. B. No. 1362 (RAISED) AN ACT CONCERNING REIMBURSEMENT FOR PHYSICIAN ASSISTANT SERVICES UNDER THE MEDICAID PROGRAM.

The Department of Social Services (DSS) must oppose this raised bill since the provisions are in direct contradiction to the scope of practice of a physician assistant contained in Connecticut General Statute (Sec. 20-12a). Paragraph 5 of Sec 20-12a defines a PA as "...an individual who: (A) functions in a dependent relationship with a physician licensed pursuant to this chapter; and (B) ...provides patient services under the supervision, control, responsibility and direction of said physician." Sections (6) and (7) provide additional details on the nature of the physicians' responsibility. The Department is not able to reimburse practitioners under Medicaid for services performed outside of the practitioner's scope of licensure.

It should be noted that DSS pays for the services of a PA who works in a dependent relationship with a physician as long as it is the physician who assumes responsibility for the service and it is the physician who bills the department.

S. B. No. 1363 (RAISED) AN ACT CONCERNING RATES PAID BY THE DEPARTMENT OF SOCIAL SERVICES TO VISION CARE PROVIDERS.

This issue came to light in discussions with the Hill Health center, who maintained that their ophthalmologist should be paid at the full Medicaid rate to provide vision services under SAGA. Based on the capped appropriations and existing contractual relationship for these services, reimbursing at full Medicaid rate could significantly reduce the number of clients served.

S. B. No. 1364 (RAISED) AN ACT CONCERNING MEDICAID REIMBURSEMENT RATES TO HEALTH CARE PROVIDERS.

This bill requires that the Medicaid fee schedule for home health care services (e.g. skilled nursing visit, home health aide, physical therapy) be adjusted on an annual basis by the increase in the CPI. It also provides that rates for homemaker and chore services (Medicaid home care waiver services) increase by not less than 5% on July 1, 2007 and would require that separate home health aide and nursing rates be established for complex medical services provided to children at levels at least 20% higher than standard services. Section 2 of the bill would restrict FQHC's from petitioning the Department for a Medicaid rate adjustment to no more than once per year. There is conflicting language in the bill with regard to home health agency rates. Section 1 would increase these rates by the CPI while Section 3 specifically provides for no less than a 5% adjustment effective July 1, 2007. We have assumed that the bill proponents propose a 5% increase to home health agency and home care waiver rates July 1, 2007 and CPI increases for home health agency rates in subsequent fiscal years.

We would be happy to work with the committee on defining policies, special rate considerations and projecting related costs for this area.

H. B. No. 7173 (RAISED) AN ACT CONCERNING TRANSFER OR ASSIGNMENT OF ASSETS WITH RESPECT TO ELIGIBILITY FOR MEDICAID PROGRAM.

This bill would eliminate the statutory provisions that give the department the authority to presume that asset transfers in the Medicaid program that result in a long-term care penalty are made for the purposes of qualifying for medical assistance as well as the provision that allows the department to establish a debt due and owed to the department when such a transfer has occurred, but the department provides payment for long-term care services. This most commonly because of undue influence or undue hardship circumstances.

The department strongly opposes the changes included in this bill. Eliminating the presumption that a transfer of assets was made to qualify for assistance shifts the burden of proof that the transfer was made for some other purpose from the Medicaid applicant to the state. Such a change would undermine the department's ability to determine when transfers have been made to qualify for assistance, increase the likelihood and frequency of such inappropriate transfers, and result in major additional costs to the state.

The department opposes eliminating the creation of a debt when a transfer has been made to qualify for assistance. Such debts are created when long-term care Medicaid assistance has been granted despite a transfer of assets, most commonly because of an undue influence circumstance resulting from exploitation of the Medicaid applicant by the transferee. Although the department has rarely if ever had to use this authority to pursue recovery of transferred assets, we believe the statute creates a strong disincentive for individuals to take advantage of elderly or disabled individuals in need of long-term care services and should therefore be retained.

H. B. No. 7232 (RAISED) AN ACT CONCERNING THE ADMINISTRATION OF THE LOW INCOME HEATING ENERGY ASSISTANCE PROGRAM.

Raised Bill No. 7232 proposes to amend Section 16a-41a of the general statutes to allow municipalities that assist individuals in making an application for energy assistance, to transmit

those applications to the Department of Social Services. Municipalities may, but shall not be required to submit applications to a community action agency.

DSS opposes this bill. Currently, the department contracts with the community action agency (CAA) network to operate the Low Income Home Energy Assistance Program (LIHEAP). This includes taking and processing applications to determine eligibility for the Connecticut Energy Assistance Program, the Contingency Heating Assistance Program and the USDOE Weatherization Assistance Program. The CAA's also authorize fuel deliveries, pay vendors and utility companies, submit reports, provide outreach and case management services. In addition to its own staffed sites, the CAA's use voluntary sites such as senior centers, municipalities, community centers and other community based organizations to take applications for its residents or constituents, which are then submitted to the CAA's for processing.

DSS does not process, nor have the capability to process energy applications. If municipalities were given the option and choice to transmit applications directly to DSS, these applications would then be forwarded to the CAA's for processing, delaying the time that a household could be determined eligible for assistance and, in some instances, delaying services that could have been provided in a timely manner.

If the intent of this bill is to have municipalities take and process energy assistance applications along with authorizing payments and then paying vendors the department would need to revise the entire system presently in place for the energy program. This would increase costs to the municipalities that would need to increase staff, train staff, provide necessary computers and software along with space to meet with applicants.

As proposed this bill is not supported by the department.

H. B. No. 7233 (RAISED) AN ACT CONCERNING HEALTH CARE ACCESS FOR CHILDREN WITH SPECIAL HEALTH CARE NEEDS.

The Department does not support the amendment to 17b-261g, CGS. The existing statute requires that the Department shall provide reimbursement under the HUSKY Plan, Part A to children for services provided by a home health care agency. The proposed amendment would expand the population of children covered under this statute to include all children enrolled in Medicaid, regardless of whether they fall within the statutory definition of HUSKY A.

Even without the proposed amendment, the existing statute presents a problem in as much as it extends home health coverage to service locations outside of the home that are not permitted under Medicaid law. Coverage for home health services outside of the home might be possible under a Medicaid waiver. Accordingly, the Department recommends instead that the legislature consider restricting this provision to apply to the 180 children enrolled in the Katie Beckett Waiver, which is specifically designed to serve children with special health care needs. The Katie Beckett Waiver provides an appropriate vehicle for covering these services as waiver services, it would focus this coverage to children that we believe could most benefit, and it would limit this coverage to a smaller population of children.

The problem with this bill is that it would establish an entitlement to a Medicaid service (skilled nursing outside the home) that would not qualify for federal match. We would be happy to work with the committee to explore options to address this issue.

H. B. No. 7279 (RAISED) AN ACT CONCERNING THE ADMINISTRATION OF THE MONEY FOLLOWS THE PERSON PROGRAM.

The federal Money Follows the Person Rebalancing Demonstration Grant encourages states to reduce their reliance on institutional care for Medicaid recipients by transitioning individuals out of institutional settings and into community settings with appropriate supports. As a result of the grant, DSS will receive enhanced federal Medicaid reimbursement for the first year of an individual's transition. DSS plans to transition 225 clients into the community by the end of the biennium and a total of 700 clients over the five-year grant period.

The bill expands the Money Follows the Person Rebalancing Demonstration project in two ways. First, it changes the language from the commissioner "may submit" to "shall establish" a Money Follows the Person Demonstration project. This coincides with department's successful grant application to the federal Centers for Medicare and Medicaid Services. Second, it changes the number of program slots from 100 to 700. This also is in accordance with the federal approval of Connecticut's application. The department expects to begin services under Money Follows the Person in July 2007.

H. B. No. 7299 (RAISED) AN ACT CONCERNING REIMBURSEMENT RATES TO PHYSICIANS WHO PROVIDE EMERGENCY ROOM SERVICES TO MEDICAID RECIPIENTS.

There has been an issue for some time about physicians in the emergency room. In the past these professional services were routinely provided by in-house staff. However, increasingly hospitals have contracted with physician groups to provide services in the ER. In some cases there have been audit issues as to whether the physician group is actually independent from the hospital and does not receive a subsidy. DSS medical services policy prohibits payments to physicians who are on salary from a hospital for services provided in the hospital setting. The other issue which has come to light recently is that another DSS policy prohibits payment for ER services if the patient is admitted to an inpatient stay on the same day. This is a good policy, meant to avoid duplicate billing, but it seems to have restricted billing by physician groups who are working under contract to the hospital.

The department agrees that we need to update our physician reimbursement policy to allow contracted physicians to be paid for ER services on the date of admission. We are opposed to language that would require that "any" physician would be paid, since that has the implication that even those physicians who receive a subsidy from the hospital for their services would also be entitled to reimbursement.

While these are typically reviewed on a case-by-case basis, we would be willing to work with the committee on language for the bill that would address the new realities of the physician-hospital relationships in the emergency room.

On the rate issue, hospitals do have a rate for professional services in the emergency room. It would be clearer if the amendment read:

The rate paid by the commissioner to [any] a physician who does not otherwise receive a salary or subsidy from the hospital to provide services in the emergency room of said hospital shall be separate and distinct from the rate provided to such hospital for the provision of services.