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**Connecticut State Medical Society
Testimony on Senate Bill 1127 An Act Concerning The Charter Oak Health Plan
and Health Care Access and House Bill 7322 An Act Concerning Medicaid Managed
Care Reform**

Presented to the Human Services Committee March 15, 2007

Senator Harris, Representative Villano and Members of the Human Services Committee, my name is Matthew Katz and I am the executive Director of the Connecticut State Medical Society (CSMS). On behalf of the more than 7,000 members of the society, thank you for the opportunity to present this testimony to you today. We feel that both Senate Bill 1127 An Act Concerning The Charter Oak Health Plan and Health Care Access and House Bill 7322 An Act Concerning Medicaid Managed Care Reform offer certain reforms to the Medicaid Managed care system that strengthen the program by increasing the efficiency of and access to the program.

While we feel that several provisions of Senate Bill 1127 require further development and investigation, there are several sections of the bill that CSMS strongly supports. CSMS has supported the efforts of Legal Services and others to require MCOs participating in the Husky Program to disclose important information regarding the revenue received from the state and what percentage is actually going directly to provide health care services and reimburse providers for the provision of medical care. This bill makes it clear that all health plans or other entities participating in the program must abide by the state Freedom of Information Laws. We support this provision and the need for greater transparency when state dollars are being used to fund medical care.

Section 5 of this legislation establishes a task force to increase provider participation in the HUSKY Program. Inadequate reimbursement levels and a tremendous amount of administrative hassles are primary reasons why physicians are unable to participate in the program and making sure physicians are involved at the early stages of program development will allow their voices and that of their patients to be heard. Although these administrative barriers and insufficient reimbursement levels must be fixed immediately, we support an ongoing dialogue such as a Task Force to continually identify and address any other barriers to physician participation and patient access to care.

Section 7 of Senate Bill 1127 charges OHCA with the role of leading a task force study on the impact of electronic health information exchange to improve the quality and efficiency of health care. As with the previously mentioned task force, we know that we

are at a point where this state must become a leader in the implementation of Health Information Technology (HIT). We have continually testified before several committees this legislative session in support of initiatives to expand HIT in physician practices immediately, recognizing the significant start up costs. Consistent with our statement on the previously mentioned task force, we support ongoing dialogue on this issue. However, we suggest that the already established entity, EhealthConnecticut, has already undertaken this task and we suggest that this committee look to integrate that organization into this legislation to accomplish the goal of expanded access to and use of HIT in Connecticut's health care system.

Also on your agenda today is House Bill 7322 An Act Concerning Medicaid Managed Care Reform. Once again, CSMS supports this proposed bill in general and believes it makes some important changes that will increase the transparency in the Medicaid Managed Care Program so that we all know where the funding is being spent and how best to make necessary adjustments to expand access to quality patient medical care. In addition, it utilizes the resources of the Health Care Advocate to assist HUSKY participants and establishes a primary care case management system (PCCM) on a regional basis that could potentially give HUSKY enrollees and physicians an alternative to Medicaid Managed Care plans that may prove more beneficial to Medicaid patients.

We appreciate the approach taken in this legislation to carefully attempt to implement a PCCM program. Primary care physicians are the entry point to quality health care and often develop a relationship with their patients that is comprehensive and broad. Investigating and implementing ways to allow, encourage and reimburse primary care physicians for the coordination of care is appropriate. However, we have continually cautioned that while expecting the coordination of care is appropriate, the current HUSKY system overwhelms physicians with administrative hassles. For that reason we support the requirement proposed that the Department of Social Services contract with an Administrative Services Organization to coordinate the availability of services. This should allow physicians the opportunity to take care of patients rather than play the role of an administrator.

Additionally, House Bill 7322 clearly states that documents maintained by MCOs in the HUSKY program, including those concerning rates paid to providers, shall be deemed public records. These entities are receiving state funds and acting on behalf of the state and therefore, this requirement is appropriate and consistent with the interests of patients and their physicians. CSMS has joined many advocacy groups in the effort to require that MCOs participating in the program adhere to Freedom of Information requirements and we support that inclusion in this legislation.

CSMS also supports an MCO Pay for Performance program established by the proposed bill. Insurers are increasingly developing systems of pay for performance for physicians that are often based on economic and financial factors and not on quality of care. Physicians are either rewarded or penalized on these arbitrary systems. Language in the bill appropriately places a pay for performance on the MCOs participating in the HUSKY program rewarding them for the service they provide, provider access, beneficiary

satisfaction, and overall health outcomes. Unlike many PFP programs established by health insurers, these are appropriate benchmarks for MCO PFP requirements.

Lastly on HB 7322, we applaud language in the bill to require that plans participating in the HUSKY program reimburse physicians at a rate of 30% above rates established for Medicaid Fee-For-Service. However, this committee has heard significant testimony over the past few weeks regarding the woefully inadequate rates within the program. We ask that this legislation be amended to require the payment of rates 30% above Medicaid FFS, but respectfully ask that all rates be increased to an appropriate level.

Thank you for the opportunity to testify before you today and thank you for the work you have done to strengthen the quality of the Health care system. I offer the resources of the CSMS to you for any reason that will help us accomplish our mutual goal to provide the most access to the best health care available.