



General Assembly

January Session, 2007

Raised Bill No. 7322

LCO No. 5091

05091_____HS_

Referred to Committee on Human Services

Introduced by:
(HS)

AN ACT CONCERNING MEDICAID MANAGED CARE REFORM.

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

1 Section 1. Section 17b-296 of the general statutes is amended by
2 adding subsection (e) as follows (*Effective from passage*):

3 (NEW) (e) All contracts between the department and a managed
4 care organization to provide services under the HUSKY Plan, Part A,
5 the HUSKY Plan, Part B, or both, or the Medicaid program, and all
6 documents maintained by a managed care organization related to the
7 performance of its contracts with the department, including, but not
8 limited to, contracts and agreements with providers and
9 subcontractors, documents concerning rates paid to providers and
10 subcontractors, and documents concerning operational standards,
11 shall be deemed public records or files as defined in section 1-200 and
12 shall be subject to disclosure in accordance with chapter 14.

13 Sec. 2. Section 1-218 of the general statutes is repealed and the
14 following is substituted in lieu thereof (*Effective from passage*):

15 Each contract in excess of two million five hundred thousand

16 dollars between a public agency and a person for the performance of a
17 governmental function shall (1) provide that the public agency is
18 entitled to receive a copy of records and files related to the
19 performance of the governmental function, and (2) indicate that such
20 records and files are subject to the Freedom of Information Act and
21 may be disclosed by the public agency pursuant to the Freedom of
22 Information Act. Any contract between the Department of Social
23 Services and a managed care organization to provide services under
24 the HUSKY Plan, Part A, the HUSKY Plan, Part B, or both, or the
25 Medicaid program, irrespective of whether such contract is in excess of
26 two million five hundred thousand dollars, shall be subject to the
27 provisions of this section. No request to inspect or copy such records
28 or files shall be valid unless the request is made to the public agency in
29 accordance with the Freedom of Information Act. Any complaint by a
30 person who is denied the right to inspect or copy such records or files
31 shall be brought to the Freedom of Information Commission in
32 accordance with the provisions of sections 1-205 and 1-206.

33 Sec. 3. Subdivision (11) of section 1-200 of the general statutes is
34 repealed and the following is substituted in lieu thereof (*Effective from*
35 *passage*):

36 (11) "Governmental function" means the administration or
37 management of a program of a public agency, which program has
38 been authorized by law to be administered or managed by a person,
39 where (A) the person receives funding from the public agency for
40 administering or managing the program, (B) the public agency is
41 involved in or regulates to a significant extent such person's
42 administration or management of the program, whether or not such
43 involvement or regulation is direct, pervasive, continuous or day-to-
44 day, and (C) the person participates in the formulation of
45 governmental policies or decisions in connection with the
46 administration or management of the program and such policies or
47 decisions bind the public agency. "Governmental function" includes
48 the provision of services by a managed care organization under the

49 HUSKY Plan, Part A, the HUSKY Plan, Part B, or the Medicaid
50 program. "Governmental function" [shall] does not include the mere
51 provision of goods or services to a public agency without the delegated
52 responsibility to administer or manage a program of a public agency.

53 Sec. 4. (NEW) (*Effective July 1, 2007*) All contracts between the
54 Department of Social Services and a managed care organization to
55 provide services under the HUSKY Plan, Part A, the HUSKY Plan, Part
56 B, or both, or the Medicaid program, and all documents maintained by
57 a managed care organization related to the performance of its contracts
58 with the department, including, but not limited to, contracts and
59 agreements with providers and subcontractors, documents concerning
60 rates paid to providers and subcontractors, and documents concerning
61 operational standards shall be subject to review and inspection by the
62 Attorney General. In conducting such review or inspection, the
63 Attorney General shall ensure that the provisions of any contract
64 between the department and a managed care organization shall inure
65 to the benefit of the beneficiaries of health care services under the
66 contract. The Attorney General, in the course of performing the duties
67 prescribed in this section, may contemporaneously advise the
68 Commissioner of Social Services, the Governor and the chairpersons of
69 the joint standing committees of the General Assembly having
70 cognizance of matters relating to human services and appropriations
71 and the budgets of state agencies of any concerns that he or she may
72 have concerning a contract between the department and a managed
73 care organization.

74 Sec. 5. Subsection (d) of section 17b-28 of the general statutes is
75 repealed and the following is substituted in lieu thereof (*Effective July*
76 *1, 2007*):

77 (d) The Commissioner of Social Services shall provide monthly
78 reports on the plans and implementation of the Medicaid managed
79 care system to the council. Not later than January 1, 2008, the
80 Commissioner of Social Services shall include with such reports the

81 following information for contracts between the department and a
82 managed care organization: The total dollar value of the contract,
83 along with an accounting of the sums within each contract that are
84 allocated for preventive care, primary care, specialty care, dental care,
85 care and case management services, outreach and advertising
86 activities, administrative costs, profit margin, subcontractors and any
87 other nonmedical expenses. Not later than January 1, 2008, and
88 annually thereafter, the commissioner shall provide the following
89 information with respect to each managed care organization under
90 contract with the department: (1) Any pharmaceutical rebates
91 provided by a pharmaceutical manufacturer to a managed care
92 organization, and (2) the salaries and fringe benefits for the ten highest
93 paid positions of those persons employed by the managed care
94 organization who are responsible for the administration of HUSKY
95 Plan, Part A, the HUSKY Plan, Part B, or both.

96 Sec. 6. (NEW) (*Effective July 1, 2007*) The Department of Social
97 Services shall, on an annual basis, conduct a secret shopper survey
98 with respect to any managed care organization under contract to
99 provide health care services to the department. Such survey shall
100 gauge the effectiveness of the managed care organization's application
101 and enrollment processes and assess the availability of health care
102 provider services for both new and existing program beneficiaries. The
103 department shall utilize a consistent methodology when conducting
104 such survey so as to permit a fair comparison of the results of such
105 survey on an annual basis. Not later than January 1, 2008, and annually
106 thereafter, the Commissioner of Social Services shall report, in
107 accordance with section 11-4a of the general statutes, on the results of
108 such surveys to the joint standing committees of the General Assembly
109 having cognizance of matters relating to human services and
110 appropriations and the budgets of state agencies.

111 Sec. 7. (NEW) (*Effective July 1, 2007*) Not later than January 1, 2008,
112 the Department of Social Services shall hire a medical director, whose
113 prescribed duties shall include, but not be limited to, determinations as

114 to which services qualify as being medically necessary for each
115 medical assistance program administered by the department.

116 Sec. 8. Section 38a-1041 of the general statutes is amended by adding
117 subsection (f) as follows (*Effective July 1, 2007*):

118 (NEW) (f) The Office of the Healthcare Advocate shall provide
119 informational assistance to recipients of HUSKY Plan, Part A or Part B
120 benefits. Informational assistance provided by the Office of the
121 Healthcare Advocate shall include, but not be limited to, information
122 on: (1) Selection of the HUSKY Plan option that best meets the needs of
123 the recipient; (2) the enrollment process; (3) primary care provider
124 selection; (4) assistance in negotiating the managed care and Medicaid
125 systems to access health care services; (5) assistance with billing issues;
126 and (6) collaboration with state agency personnel to resolve eligibility,
127 enrollment and access issues.

128 Sec. 9. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding any
129 provision of the general statutes, not later than January 1, 2008, the
130 Department of Social Services shall begin implementing on not less
131 than a regional basis, a system of primary care case management.
132 Upon the implementation of a primary care case management system,
133 HUSKY Plan, Part A and Part B beneficiaries shall be provided a
134 choice of receiving medical assistance benefits through a primary care
135 case management system or a managed care system. For purposes of
136 this section, "primary care case management" means a system of care
137 in which the health care services for program beneficiaries are
138 coordinated by a primary care provider chosen by or assigned to the
139 beneficiary. "Primary care case management" does not include
140 capitation payment system for medical services provided. The
141 department shall ensure that the primary care case management is
142 fully operational on a state-wide basis on or before January 1, 2013.

143 (b) Primary care providers participating in the primary care case
144 management system shall be reimbursed by the state for medical
145 services provided and for health care coordination services provided

146 on behalf of program beneficiaries. Primary care providers shall
147 provide beneficiaries with primary care medical services and arrange
148 for specialty care as needed. The network of primary care providers
149 utilized by the department shall include health care professionals
150 employed at community health centers and school-based health clinics.

151 (c) The Department of Social Services shall contract with an
152 administrative services organization to coordinate the availability of
153 services under the primary care case management system. In addition,
154 the department may directly contract with any medical provider or
155 group of medical providers in order to facilitate implementation of the
156 primary care case management system. The department when
157 selecting an entity to administer the primary care case management
158 system may not select any managed care organization, subsidiary of,
159 affiliate of or any related company within the control of the managed
160 care organization currently under contract with the department for the
161 provision of managed care.

162 (d) The Commissioner of Social Services shall develop a program to
163 involve the public in the design and implementation of the primary
164 care case management system and to ensure ongoing public
165 involvement. Such program shall include the opportunity to submit
166 written comments and broad distribution of information and
167 opportunities to the public and to consumers, consumer advocacy
168 groups, medical providers and other organizations involved in health
169 care. Information available to the public shall include one or more
170 preliminary documents identifying the options under consideration by
171 the department for implementation of the primary care case
172 management system. All informational materials shall be available to
173 persons with disabilities and to those who do not speak English. The
174 primary care case management system developed by the department
175 in accordance with the provisions of this section shall include training
176 and educational activities for (1) providers who participate in the
177 program, (2) outreach personnel utilized to promote the program, and
178 (3) beneficiaries who opt to enroll in the program.

179 (e) The primary care case management system shall be offered to
180 HUSKY Plan, Part A and Part B beneficiaries on a voluntary basis. Any
181 program beneficiary who elects to enroll in the primary care case
182 management system shall be afforded the option of seeking a change
183 of primary care provider which shall be decided on a case-by-case
184 basis.

185 (f) The department shall ensure that a beneficiary that elects to
186 participate in the primary case management system has access to
187 dental services and behavioral health services as part of the system.

188 (g) The department shall provide monthly reports on the progress in
189 planning and developing the primary care case management system to
190 the council established pursuant to section 17b-28 of the general
191 statutes. In addition, not later than six months after the date of
192 implementation of the primary care case management system and
193 annually thereafter, the department shall conduct a comprehensive
194 review of the system that includes system costs, beneficiary
195 satisfaction surveys, provider satisfaction surveys, access and
196 utilization reports, administrative efficiency reports and
197 recommendations for improvement of the system, and after
198 completing such review, the department shall submit a written report
199 on the results to said council.

200 (h) The Commissioner of Social Services may seek a waiver from
201 federal law, if necessary, in order to implement the primary care case
202 management system in accordance with the provisions of this section.

203 (i) The commissioner, pursuant to section 17b-10 of the general
204 statutes, may implement policies and procedures to administer the
205 provisions of this section while in the process of adopting such policies
206 and procedures as regulation, provided the commissioner prints notice
207 of the intent to adopt the regulation in the Connecticut Law Journal
208 not later than twenty days after the date of implementation. Such
209 policy shall be valid until the time final regulations are adopted.

210 Sec. 10. Subsection (i) of section 17b-292 of the general statutes is
211 repealed and the following is substituted in lieu thereof (*Effective July*
212 *1, 2007*):

213 (i) The single point of entry servicer shall send an application and
214 supporting documents to the commissioner for determination of
215 eligibility of a child who resides in a household with a family income
216 of one hundred eighty-five per cent or less of the federal poverty level.
217 The servicer shall enroll eligible beneficiaries in the applicant's choice
218 of managed care plan or in the primary care case management system.
219 Upon enrollment in a managed care plan, an eligible HUSKY Plan,
220 Part A or Part B beneficiary shall remain enrolled in such managed
221 care plan for twelve months from the date of such enrollment unless
222 (1) an eligible beneficiary demonstrates good cause to the satisfaction
223 of the commissioner of the need to enroll in a different managed care
224 plan, or (2) the beneficiary no longer meets program eligibility
225 requirements.

226 Sec. 11. (NEW) (*Effective July 1, 2007*) The Department of Social
227 Services, in collaboration with the council established pursuant to
228 section 17b-28 of the general statutes, shall develop a pay-for-
229 performance system that rewards a managed care organization with
230 whom the department contracts for the provision of services to
231 HUSKY Plan, Part A and Part B beneficiaries for superior performance
232 in beneficiary satisfaction, provider access and satisfaction and overall
233 beneficiary health outcomes. The department and the council shall
234 ensure that there is public input on the development of such system.
235 The department after receiving such public input shall develop
236 standards to be used in determining whether a managed care
237 organization is eligible for a pay-for-performance bonus payment. Pay-
238 for-performance bonus payments shall only be made when the
239 department determines that a managed care organization has met or
240 surpassed all standards established by the department. If no managed
241 care organization meets the department's standards then no bonus
242 payment shall be made. Any bonus payment shall come from the

243 department's capitation payments to managed care organizations and
 244 shall not result in additional appropriations to the department to make
 245 such payment. Any plan developed by the department in collaboration
 246 with the council shall not be implemented unless approved by the
 247 General Assembly.

248 Sec. 12. (NEW) (*Effective July 1, 2007*) Any managed care
 249 organization under contract with the Department of Social Services to
 250 provide services under the HUSKY Plan, Part A or Part B, or both,
 251 shall reimburse primary care physicians and pediatricians utilized to
 252 provide services to program beneficiaries at a rate that is not less than
 253 thirty per cent greater than the rate paid to such physicians and
 254 pediatricians under the Medicaid fee-for-service program for the
 255 provision of such services, except that federally qualified health
 256 centers shall receive their prospective payment rates as prescribed by
 257 federal law, and dental provider fees shall be equal to the seventieth
 258 percentile of the normal and customary private provider fee, as
 259 defined by the National Dental Advisory Service Comprehensive Fee
 260 Report. A managed care organization under contract with the
 261 department to provide services under the HUSKY Plan, Part A or Part
 262 B, or both, shall transfer any pharmaceutical rebate it receives to the
 263 department. The department shall apply any such rebates received
 264 from the managed care organization to sums budgeted for the
 265 operation of the HUSKY program in the fiscal year.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-296
Sec. 2	<i>from passage</i>	1-218
Sec. 3	<i>from passage</i>	1-200(11)
Sec. 4	<i>July 1, 2007</i>	New section
Sec. 5	<i>July 1, 2007</i>	17b-28(d)
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	38a-1041

Sec. 9	<i>July 1, 2007</i>	New section
Sec. 10	<i>July 1, 2007</i>	17b-292(i)
Sec. 11	<i>July 1, 2007</i>	New section
Sec. 12	<i>July 1, 2007</i>	New section

Statement of Purpose:

To require greater accountability from managed care organizations with whom the Department of Social Services contracts, improve upon the delivery of health care services available under the current managed care system and implement primary care case management as an alternative method of delivering health care services in the state.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]