



General Assembly

Substitute Bill No. 7322

January Session, 2007

* _____ HB07322APP __050107_____ *

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 Section 1-218 of the general statutes is repealed and the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 and then actually expended on preventive care, primary

85 care, specialty care, dental care, care and case management services,
86 outreach and advertising activities, administrative costs, profit margin,
87 subcontractors and any other nonmedical expenses. Not later than
88 January 1, 2008, and annually thereafter, the commissioner shall
89 provide the following information with respect to each managed care
90 organization under contract with the department: (1) Any
91 pharmaceutical rebates provided by a pharmaceutical manufacturer to
92 a managed care organization, (2) the salaries and fringe benefits for the
93 ten highest paid positions of those persons employed by the managed
94 care organization who are responsible for the administration of
95 HUSKY Plan, Part A, the HUSKY Plan, Part B, or both, (3) the total
96 dollar value of any withheld pools representing sums that will be
97 withheld from participating providers if the cost of services rendered
98 by such providers is higher than expected, and (4) any other rebate
99 provided by a manufacturer, vendor or distributor of health care
100 products and equipment to a managed care organization or a
101 subsidiary of such managed care organization.

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

117 Sec. 7. Section 38a-1041 of the general statutes is amended by adding

118 subsection (f) as follows (*Effective July 1, 2007*):

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

129 Sec. 8. (NEW) (*Effective July 1, 2007*) (a) Notwithstanding any
130 provision of the general statutes, not later than January 1, 2008, the
131 Department of Social Services shall begin implementing on not less
132 than a regional basis, a system of primary care case management.
133 Upon the implementation of a primary care case management system,
134 HUSKY Plan, Part A and Part B beneficiaries shall be provided a
135 choice of receiving medical assistance benefits through a primary care
136 case management system or a managed care system. For purposes of
137 this section, "primary care case management" means a system of care
138 in which the health care services for program beneficiaries are
139 coordinated by a primary care provider chosen by or assigned to the
140 beneficiary. "Primary care case management" does not include
141 capitation payment system for medical services provided.

142 (b) Primary care providers participating in the primary care case
143 management system shall be reimbursed by the state for medical
144 services provided and for health care coordination services provided
145 on behalf of program beneficiaries. Primary care providers shall
146 provide beneficiaries with primary care medical services and arrange
147 for specialty care as needed. The network of primary care providers
148 utilized by the department shall include, but not be limited to, health
149 care professionals employed at community health centers and school-
150 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. 9. 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.

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>	38a-1041
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	17b-292(i)

APP *Joint Favorable Subst.*