

March 15, 2007

Testimony of Anthem Blue Cross and Blue Shield in Connecticut
On
SB 1425 An Act Concerning Managed Care Organizations Contracting with the Department of Social Services
And
HB 7322 An Act Concerning Medicaid Managed Care Reform

Good Morning Senator Harris, Representative Villano and members of the Human Services Committee. My name is Scott Markovich and I am the Regional Vice President of State Sponsored Business for Anthem Blue Cross and Blue Shield in Connecticut. I am here today to speak on **SB 1425 An Act Concerning Managed Care Organizations Contracting with the Department of Social Services And HB 7322 An Act Concerning Medicaid Managed Care Reform**. I would like to thank you for the opportunity to testify before this committee and share our information and experience with you today.

With now over 10 years experience, the HUSKY program is poised to be a model Medicaid Managed Care program for the rest of the country. There are areas that need improvement and I believe we all recognize those challenges, but we should not abandon the good in search of the perfect. Part of what makes Connecticut a model state is that the four HUSKY Plans that remain (Anthem, CHN, HealthNet and WellCare) all bring a uniqueness to the market that will serve Connecticut Medicaid residents long into the future. By combining national, regional and local expertise to the program, HUSKY Members will be introduced to new programs that have served as best practices in other health plan markets, while maintaining a local presence here in Connecticut.

As HUSKY Plans, we believe that we are in a position to address some of the criticism that has been levied against the program. To begin, much has been discussed about how approximately \$700 million of State funds are spent and Member's access to healthcare services. Using data submitted by the four HUSKY Plans in 2005 to the Department of Social Services, I offer the following statistics for the committee's review:

- Historically, from 2003-2005, over 90% of revenues received by the HUSKY Plans was spent on direct healthcare for HUSKY members, which means that \$0.90 of every \$1.00 is spent on direct healthcare for HUSKY members.
- In 1995, prior to Medicaid Managed Care, only 50% of children in Medicaid received a medical screen. In 2005, the HUSKY Plans proudly reported that 82.5% of children in the program received a medical screen.
- In calendar year 2005, the four HUSKY Plans reimbursed for the following services:
 - 897,865 Primary Care Visits
 - 780,814 Specialty Visits
 - 6,922 Vaginal Deliveries
 - 2,177 C-Section Deliveries
 - 34,613 Inpatient Admissions

- 331,028 Outpatient Visits
- 270,070 Dental Visits
- 2,081,344 Prescriptions Dispensed
- For Anthem members, approximately 1,000,000 prescriptions were dispensed in 2005.
 - Of those 1,000,000 prescriptions, only 1.6% required prior approval.
 - Less than 1% of prescriptions were denied because of prior authorization; and
 - In the event that a prior authorization was denied, an alternative drug was available and a notice of action was sent out to the Member, prescribing provider and the DCF office, if necessary.

These statistics are important, because they are the proof that HUSKY members do have access to healthcare services.

In addition, I would like to address the recent DSS Secret Shopper Survey. This survey was conducted on behalf of the Department in May of 2006. Mercer, posing as new HUSKY enrollees attempted to get appointments for non-urgent symptoms in the following specialties – Primary Care, Pediatrics, Dental, Dermatology, Neurology, and Orthopedic Surgery. The results were not favorable. These are not the results we wanted or expected to see. And we are all here because we are accountable for our performance surrounding access standards for our members. The HUSKY Plans are currently addressing this survey. However, the statistics presented above certainly show that HUSKY Members are getting care. When you review the Secret Shopper Survey, we hope that you will take the following into consideration:

- This was a survey of NEW members in HUSKY. It is in no way a reflection of the over 300,000 current members of HUSKY who access services.
- This is the first time Mercer performed this type of a survey. There are many improvements that can be made, i.e. requiring medical records before scheduling an appointment was viewed as a barrier to getting services. This is a very common practice in medicine.
- The HUSKY Plans did receive very high scores for customer service to their members
- Finally, members (Mercer), when requesting an appointment, were calling with routine symptoms rather than urgent medical conditions.

Clearly, there are issues that transcend populations in terms of getting appointments. We've all experienced difficulty in scheduling a dermatology appointment for example. That doesn't make it acceptable, but unfortunately, this is the reality of the situation.

Finally, Anthem supports the increasing of provider fees in an attempt to increase access to providers who participate in HUSKY. While the increase of fees may not be the ultimate solution, it certainly is a step in the right direction of encouraging more providers to participate in the program.

In addition, you will find attached my testimony regarding other concerns that we have regarding the proposed bills that due to constraints on time, I am not able to address.

I thank the committee for your time and attention and I am available for any questions that you might have.

Anthem Blue Cross and Blue Shield's concerns about HB 7322

- Anthem is concerned about the disclosure language in Section 1 which would require the health plans who bid on HUSKY to be required to have all information disclosed under the Freedom of Information statutes. As the Legislature may be aware, we are in active litigation on this issue. We strongly believe in transparency but we also believe that there are elements of how we administer health benefits that are proprietary and confidential.
- In Section 5, Anthem is concerned about having to disclose further information related to administering the program. Currently, we submit an extraordinary amount of reports to the Department of Social Services and the Medicaid Managed Care Council regarding how we administer the HUSKY program. We believe that currently submitted information is more than sufficient in having transparency in the program.
- In Section 6, Anthem is concerned about the Department of Social Services being directed to conduct a secret shopper survey every year for the Medicaid managed program. While we welcome the opportunity to know how our members are being served by our providers, we are concerned that the survey should not be the only measure to evaluate access to care for HUSKY Members. We need the survey methodology and results in a timely fashion from DSS in order to correct any problems discovered during the survey.
- In Section 12, Anthem is opposed to a statutory requirement for the plans to reimburse providers at a particular level and our pharmaceutical rebates. We oppose any statutory provision that removes the needed flexibility to administer the program.