



**Testimony of Kevin Lembo, State Healthcare Advocate
Before the Human Services Committee, Connecticut General Assembly
In Support of Raised Bills S.B. 3, H.B. 7322 and S.B. 1425
March 15, 2007**

Good morning Senator Harris, Representative Villano, Senator Kissel, Representative Gibbons, and members of the Human Services Committee. For the record, I am Kevin Lembo and I am the State Healthcare Advocate. I am here to testify in support of the following raised bills, **S. B. 3, AN ACT CONCERNING INCREASED ACCESS TO HEALTH CARE THROUGH THE HUSKY PROGRAM, S. B. 1425, AN ACT CONCERNING MANAGED CARE ORGANIZATIONS CONTRACTING WITH THE DEPARTMENT OF SOCIAL SERVICES** and **H.B. 7322, AN ACT CONCERNING MEDICAID MANAGED CARE REFORM.**

The Office of the Healthcare Advocate (OHA) supports **S.B. 3**, which makes many improvements to the HUSKY program. In particular, I'd like to note that Section 11 of S.B. 3 makes the much needed and overdue change in dental reimbursement rates in HUSKY to the 70th percentile of dental charges. Because this setting of appropriate dental reimbursements is complicated and based on solid research, I will simply say that our support is for the specific rate-setting language in S.B. 3. I will defer to the many experts on oral health here today to explain the significance of the language in S.B. 3 and why it must remain unaltered. I've also attached my testimony on this issue on a related bill, H. B. 7069.

Turning to Raised Bills **7322** and **1425**, before I testify on our support for the Freedom of Information Act amendments and other more specific accountability amendments in these bills, I'd first like to voice our support for the proposal that the Department of Social Services (DSS) be required to conduct annual secret-shopper surveys for the individual managed care organizations. Secret-shopper surveys are the most reliable way to check the accuracy and accessibility of services. As we know from the recent secret shopper done by Mercer and the one conducted by Qualidigm several years ago, these surveys can point out access problems recipients are facing and the reasons for those problems. The surveys are a valuable tool used to track accountability on the part of the Managed Care Organizations (MCOs) and DSS in ensuring meaningful network sufficiency.

We support **1425's** direct appointment of our office to the Medicaid Managed Care Council. We are a uniquely situated consumer advocacy agency and we look forward to joining the conversation at the Council in this new and official capacity.

We also support **7322's** language that would specifically direct our office to assist in HUSKY cases. (This section of the bill mirrors a portion of another bill, S.B. 237 that was just referred to Human Services from the Select Committee on Children.) OHA is already available to provide assistance and advocacy services to residents of our state insured by the public programs. Historically, our office primarily assisted individuals with private insurance, but it is clear that

issues of access in managed care impact the privately and publicly insured, alike. It is helpful and instructive to track these issues across payor source.

We assist individuals in extremely complex cases involving both HUSKY and private insurance on a regular basis. We have extensive experience in negotiating private and public insurance matters, and in matters involving multiple state agencies, we can serve as a neutral mediator. OHA is the only independent state agency that addresses consumer managed care issues as our primary mission. With passage of this legislation, we can better assist individuals through direct advocacy, identify gaps in HUSKY coverage, and make suggestions to resolve other issues facing HUSKY recipients. However, without funding attached to this section of the bill, in addition to the funding increases our office needs to manage our existing caseload, we would be unable to assist HUSKY recipients in the way the bill intends. Therefore, while OHA supports this section of the bill, our ability to perform this function, is contingent upon obtaining the necessary funding.

Briefly, we also support the development of an alternative model for Medicaid managed care, a primary care case management (PCCM) system, or at minimum, a PCCM pilot. There are others who will follow me who can explain the PCCM model much better than I. From an accountability standpoint, however, we think it's time that there is some competition to the managed care system, even if that competition begins as a pilot. We need to develop an alternative service mechanism to test, on an ongoing basis, the sufficiency of the current HUSKY delivery system and to explore options for better access to care for HUSKY recipients.

As both bills require, we support more specific reporting on the actual contract amounts allocated toward medical services, profit margins and administrative costs. We would like to see a more detailed breakdown of the contracted costs into both specific service areas and actual amounts spent on claims for each type of service.

Finally, I'd like to focus on **Sections 1-4** of both bills, which focus on the importance of transparency and accountability in the contracting of over \$700 million of taxpayer dollars to the HUSKY MCOs. There is a long history behind these proposed changes to the HUSKY statutes and to the Freedom of Information Act (FOIA). Ideally, we'd like to see sections 1-4 separated into a bill that's solely devoted to this subject. The issue is too important to all branches of government, each of which has weighed in on the side of accountability, to allow these sections of the bill to get lost in more controversial legislation. Sections 1-4 should pass like lightning out of this committee and through both chambers to the Governor's desk, since leadership of both chambers and the Governor herself have endorsed the exact language in these sections of the bill and have repeatedly endorsed the importance of transparency in government contracting.¹

We need to be clear that as an intervenor in the case that started this discussion, OHA is convinced that the current language of the FOIA that defines "governmental function" clearly includes the HUSKY MCOs. They are exactly the type of entities the legislature intended to be subject to the 2001 FOI legislation that first defined "governmental function". There could be no other conclusion based on the level of administration and management that the HUSKY MCOs perform for over 300,000 lives in Connecticut. That's why both the Freedom of Information

¹ (Sections 2, 3 and 4 of the Governor's budget bill, 1127, also being heard today, contain the same amendments to FOIA that this bill contains.)

Commission (FOIC) and an administrative appeals judge have found just that. We do not believe the language in this bill is necessary for our position to carry the day in the MCOs' cases against the FOIC, currently pending at the Connecticut Supreme Court. However, since legislative leaders and the Governor so clearly agree that this language would more than erase any concerns about the applicability of the FOIA to the HUSKY MCOs, we support quick passage of Sections 1-4 of the bills.

I urge your support and ultimate adoption of S.B. 3, S.B. 1425 and H.B. 7322 and encourage you to include Sections 1-4 of the latter two bills as a standalone piece of legislation. Thank you.