State of Connecticut
SENATE
STATE CAPITOL
HARTFORD, CONNECTICUT 06106-1591

SENATOR MARTIN M. LOONEY
ELEVENTH DISTRICT

132 FORT HALE ROAD
NEW HAVEN, CONNECTICUT 06512
TELEPHONES
HOME: (203) 468-8829
OFFICE: (203) 488-6101
CAPITOL: (860) 240-8600
TOLL FREE: 1-800-842-1420

MAJORITY LEADER

March 4, 2008

Good morning Senator Harris, Representative Villano and members of the Human Services Committee. I am here to testify in support of H.B. 5795, AN ACT CONCERNING THE AVAILABILITY OF PODIATRY SERVICES UNDER THE MEDICAID PROGRAM. .

In 2002, the Department of Social Services (DSS) eliminated podiatric care under its Medicaid optional services in order to achieve cost savings in its budget; the effect was not as anticipated. The result was basically a cost shift with additional reimbursement primarily to "other MD" with a small percentage to orthopedists who have a significantly higher reimbursement rate. In other words, DSS must pay physicians in other specialties to perform the same services often at a higher cost. This policy shift also discouraged many podiatry

clients, such as diabetics, from seeking preventative care which can allow them to lead longer, healthier and more productive lives. For some of these clients this change represented a de facto restriction on preventative care which we all understand to be both more compassionate and more cost effective.

In addition, one extraordinarily negative impact upon clients who no longer receive preventative care from podiatrists is that they may face the far more drastic intervention of amputation because they no longer receive needed medical attention on an ongoing basis. Podiatrists are skilled in providing the kind of preventative care which alleviates the need for this more drastic intervention. I have included a copy of the OLR report that I requested which demonstrates the lack of cost savings achieved when the state ceased its coverage of podiatric services. I urge you to support this bill as it is compassionate as well as fiscally prudent

OLR RESEARCH REPORT

November 9, 2006 2006-R-0693

IMPACT OF ELIMINATING MEDICAID COVERAGE FOR INDEPENDENT PRACTITIONER PODIATRISTS

By: Robin K. Cohen, Principal Analyst

You asked whether the Department of Social Services (DSS) had saved any money by eliminating Medicaid coverage for podiatrists in 2002.

SUMMARY

According to DSS, it does not appear that the state saved any money by eliminating Medicaid coverage for podiatrists in 2002, despite having factored savings into the FY 03 budget. Rather, the costs for these services have shifted from podiatrists to other medical providers.

IMPACT OF ELIMINATING MEDICAID COVERAGE FOR PODIATRISTS

PA 02-7, May 9 Special Session (§104), required DSS to submit an amendment to its Medicaid State Plan to implement provisions in the FY 03 budget act concerning "optional" services. (Optional services are those services that federal law allows states to provide under Medicaid versus services that are mandatory, such as emergency care.) Although the act did not explicitly require this, DSS interpreted it as a mandate to eliminate Medicaid payment to the following independently enrolled providers: podiatrists, chiropractors, naturopaths, "independent therapists" (physical therapists, licensed audiologists, and speech pathologists), and psychologists for any services they provided to Medicaid recipients aged 21 and older. (This coverage was also

Mary M. Janicki, Director
Phone (860) 240-8400
FAX (860) 240-8881
http://www.cga.ct.gov/olr

Connecticut General Assembly
Office of Legislative Research

Room 5300
Legislative Office Building
Hartford, CT 06106-1591
Olr@cga.ct.gov

eliminated from the then-General Assistance and State-Administered General Assistance programs.)

The change took effect January 1, 2003.

According to a DSS analysis of payments for podiatry services six months before and after the change occurred, Medicaid podiatry costs did not fall significantly. (DSS used the six-month period because it does not have data for any earlier period than six months before coverage was eliminated.) Rather, most costs were shifted from podiatrists to a category of providers called "Other MD," while a small percentage shifted to orthopedists.

Table 1 illustrates what occurred.

Table 1: Podiatry Services With Dates of Service in FY 03 [1]

		July-December	*Jan-June*
Physician/Group	Orthopedics	$56,789.15	$71,133.03
Physician/Group	Other MD	498,574.19	946,420.82
Podiatrist/Group	Podiatrist	577,360.11	45,595.88

Source: DSS (November 2006)

[1] The data does not include podiatry services received in clinics or outpatient hospital settings. DSS pays an inclusive rate to these providers, and there is no way to break out podiatry costs. But one can assume that more people received podiatry services in these settings after the policy changed.

RC:ts