



House of Representatives

General Assembly

File No. 429

February Session, 2010

Substitute House Bill No. 5411

House of Representatives, April 8, 2010

The Committee on Human Services reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING MEDICAID.

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

1 Section 1. Section 17b-28e of the 2010 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective from passage*):

4 (a) The Commissioner of Social Services shall amend the Medicaid
5 state plan to include, on and after January 1, 2009, hospice services as
6 [optional services] a covered service under the Medicaid program. Said
7 state plan amendment shall supersede any regulations of Connecticut
8 state agencies concerning such optional services.

9 (b) The Commissioner of Social Services shall amend the Medicaid
10 state plan to include, on and after January 1, 2011, podiatry services as
11 a covered service under the Medicaid program. Said state plan
12 amendment shall supersede any regulations of Connecticut state
13 agencies concerning such optional services.

14 [(b)] (c) Not later than February 1, 2011, the Commissioner of Social
15 Services shall amend the Medicaid state plan to include foreign
16 language interpreter services provided to any beneficiary with limited
17 English proficiency as a covered service under the Medicaid program.
18 Not later than February 1, 2011, the commissioner shall develop and
19 implement the use of medical billing codes for foreign language
20 interpreter services for the HUSKY Plan, Part A and Part B, and for the
21 fee-for-services Medicaid programs.

22 [(c)] (d) Each managed care organization that enters into a contract
23 with the Department of Social Services to provide foreign language
24 interpreter services under the HUSKY Plan, Part A shall report, semi-
25 annually, to the department on the interpreter services provided to
26 recipients of benefits under the program. Such written reports shall be
27 submitted to the department not later than June first and December
28 thirty-first each year. Not later than thirty days after receipt of such
29 report, the department shall submit a copy of the report, in accordance
30 with the provisions of section 11-4a, to the Medicaid Managed Care
31 Council.

32 Sec. 2. Section 17b-278a of the general statutes is repealed and the
33 following is substituted in lieu thereof (*Effective July 1, 2010*):

34 [The] Not later than January 1, 2011, the Commissioner of Social
35 Services shall amend the Medicaid state plan to provide coverage for
36 treatment for smoking cessation ordered by a licensed health care
37 professional who possesses valid and current state licensure to
38 prescribe such drugs. [in accordance with a plan developed by the
39 commissioner to provide smoking cessation services. The
40 commissioner shall present such plan to the joint standing committees
41 of the General Assembly having cognizance of matters relating to
42 human services and appropriations by January 1, 2003, and, if such
43 plan is approved by said committees and funding is provided in the
44 budget for the fiscal year ending June 30, 2004, such plan shall be
45 implemented on July 1, 2003. If the initial treatment provided to the
46 patient for smoking cessation, as allowed by the plan, is not successful

47 as determined by a licensed health care professional, all prescriptive
48 options for smoking cessation shall be available to the patient.]

49 Sec. 3. Section 17b-28 of the 2010 supplement to the general statutes
50 is repealed and the following is substituted in lieu thereof (*Effective*
51 *from passage*):

52 (a) There is established a council on Medicaid care management
53 oversight which shall advise the Commissioner of Social Services on
54 the planning and implementation of a system of Medicaid [managed]
55 care management and shall monitor such planning and
56 implementation [and shall advise the Waiver Application
57 Development Council, established pursuant to section 17b-28a,] on
58 matters including, but not limited to, eligibility standards, benefits,
59 access and quality assurance. The council shall be composed of the
60 chairpersons and ranking members of the joint standing committees of
61 the General Assembly having cognizance of matters relating to human
62 services, public health and appropriations and the budgets of state
63 agencies, or their designees; two members of the General Assembly,
64 one to be appointed by the president pro tempore of the Senate and
65 one to be appointed by the speaker of the House of Representatives;
66 the director of the Commission on Aging, or a designee; the director of
67 the Commission on Children, or a designee; the Healthcare Advocate,
68 or a designee; a representative of each organization that has been
69 selected by the state to provide managed care and a representative of a
70 primary care case management provider, to be appointed by the
71 president pro tempore of the Senate; two representatives of the
72 insurance industry, to be appointed by the speaker of the House of
73 Representatives; two advocates for persons receiving Medicaid, one to
74 be appointed by the majority leader of the Senate and one to be
75 appointed by the minority leader of the Senate; one advocate for
76 persons with substance use disorders, to be appointed by the majority
77 leader of the House of Representatives; one advocate for persons with
78 psychiatric disabilities, to be appointed by the minority leader of the
79 House of Representatives; two advocates for the Department of
80 Children and Families foster families, one to be appointed by the

81 president pro tempore of the Senate and one to be appointed by the
82 speaker of the House of Representatives; two members of the public
83 who are currently recipients of Medicaid, one to be appointed by the
84 majority leader of the House of Representatives and one to be
85 appointed by the minority leader of the House of Representatives; two
86 representatives of the Department of Social Services, to be appointed
87 by the Commissioner of Social Services; two representatives of the
88 Department of Public Health, to be appointed by the Commissioner of
89 Public Health; two representatives of the Department of Mental Health
90 and Addiction Services, to be appointed by the Commissioner of
91 Mental Health and Addiction Services; two representatives of the
92 Department of Children and Families, to be appointed by the
93 Commissioner of Children and Families; two representatives of the
94 Office of Policy and Management, to be appointed by the Secretary of
95 the Office of Policy and Management; and one representative of the
96 office of the State Comptroller, to be appointed by the State
97 Comptroller. [and the members of the Health Care Access Board who
98 shall be ex-officio members and who may not designate persons to
99 serve in their place.] The council shall choose a chair from among its
100 members. The Joint Committee on Legislative Management shall
101 provide administrative support to such chair. The council shall
102 convene its first meeting no later than June 1, 1994.

103 (b) The council shall make recommendations concerning (1)
104 guaranteed access to enrollees and effective outreach and client
105 education; (2) available services comparable to those already in the
106 Medicaid state plan, including those guaranteed under the federal
107 Early and Periodic Screening, Diagnostic and Treatment Services
108 Program under 42 USC 1396d; (3) the sufficiency of provider networks;
109 (4) the sufficiency of capitated rates provider payments, financing and
110 staff resources to guarantee timely access to services; (5) participation
111 in [managed] care management programs by existing community
112 Medicaid providers; (6) the linguistic and cultural competency of
113 providers and other program facilitators; (7) quality assurance; (8)
114 timely, accessible and effective client grievance procedures; (9)
115 coordination of the Medicaid [managed care plan] care management

116 programs with state and federal health care reforms; (10) eligibility
117 levels for inclusion in the [program] programs; (11) cost-sharing
118 provisions; (12) a benefit package; (13) coordination [with] of coverage
119 under the HUSKY Plan, Part A, the HUSKY Plan, Part B and other
120 health care programs administered by the Department of Social
121 Services; (14) the need for program quality studies within the areas
122 identified in this section and the department's application for available
123 grant funds for such studies; (15) the [managed care portion of]
124 HUSKY Plan, Part A, the HUSKY Plan, Part B, HUSKY Primary Care,
125 the state-administered general assistance program, the Medicaid care
126 management programs and the Charter Oak Health Plan; (16) other
127 issues pertaining to the development of a Medicaid Research and
128 Demonstration Waiver under Section 1115 of the Social Security Act;
129 and (17) the primary care case management pilot program, established
130 pursuant to section 17b-307.

131 (c) The Commissioner of Social Services shall seek a federal waiver
132 for the Medicaid [managed care plan. Implementation of the Medicaid
133 managed care plan shall not occur before July 1, 1995] care
134 management program.

135 (d) The Commissioner of Social Services may, in consultation with
136 an educational institution, apply for any available funding, including
137 federal funding, to support Medicaid [managed] care management
138 programs.

139 (e) The Commissioner of Social Services shall provide monthly
140 reports on the plans and implementation of the Medicaid [managed
141 care system] care management program to the council.

142 (f) The council shall report its activities and progress once each
143 quarter to the General Assembly.

144 Sec. 4. Subsection (b) of section 17b-28a of the general statutes is
145 repealed and the following is substituted in lieu thereof (*Effective July*
146 *1, 2010*):

147 (b) There is established a Medicaid waiver unit within the
148 Department of Social Services for the purposes of developing the
149 waiver under subsection (a) of this section. The Medicaid waiver unit's
150 responsibilities shall include but not be limited to the following: (1)
151 Administrating the Medicaid [managed] care management program,
152 established pursuant to section 17b-28, as amended by this act; (2)
153 contracting with and evaluating prepaid health plans providing
154 Medicaid services, including negotiation and establishment of
155 capitated rates; (3) assessing quality assurance information compiled
156 by the federally required independent quality assurance contractor; (4)
157 monitoring contractual compliance; (5) evaluating enrollment broker
158 performance; (6) providing assistance to the Insurance Department for
159 the regulation of Medicaid managed care health plans; and (7)
160 developing a system to compare performance levels among prepaid
161 health plans providing Medicaid services.

162 Sec. 5. Subsection (b) of section 12-202a of the general statutes is
163 repealed and the following is substituted in lieu thereof (*Effective July*
164 *1, 2010*):

165 (b) Notwithstanding the provisions of subsection (a) of this section,
166 the tax shall not apply to:

167 (1) Any new or renewal contract or policy entered into with the state
168 on or after July 1, 1997, to provide health care coverage to state
169 employees, retirees and their dependents;

170 (2) Any subscriber charges received from the federal government to
171 provide coverage for Medicare patients;

172 (3) Any subscriber charges received under a contract or policy
173 entered into with the state to provide health care coverage to Medicaid
174 recipients under the Medicaid [managed] care management program
175 established pursuant to section 17b-28, as amended by this act, which
176 charges are attributable to a period on or after January 1, 1998;

177 (4) Any new or renewal contract or policy entered into with the state

178 on or after April 1, 1998, to provide health care coverage to eligible
179 beneficiaries under the HUSKY Medicaid Plan Part A, HUSKY Part B,
180 or the HUSKY Plus programs, each as defined in section 17b-290;

181 (5) Any new or renewal contract or policy entered into with the state
182 on or after April 1, 1998, to provide health care coverage to recipients
183 of state-administered general assistance pursuant to section 17b-192;

184 (6) Any new or renewal contract or policy entered into with the state
185 on or after February 1, 2000, to provide health care coverage to retired
186 teachers, spouses or surviving spouses covered by plans offered by the
187 state teachers' retirement system;

188 (7) Any new or renewal contract or policy entered into on or after
189 July 1, 2001, to provide health care coverage to employees of a
190 municipality and their dependents under a plan procured pursuant to
191 section 5-259;

192 (8) Any new or renewal contract or policy entered into on or after
193 July 1, 2001, to provide health care coverage to employees of nonprofit
194 organizations and their dependents under a plan procured pursuant to
195 section 5-259;

196 (9) Any new or renewal contract or policy entered into on or after
197 July 1, 2003, to provide health care coverage to individuals eligible for
198 a health coverage tax credit and their dependents under a plan
199 procured pursuant to section 5-259;

200 (10) Any new or renewal contract or policy entered into on or after
201 July 1, 2005, to provide health care coverage to employees of
202 community action agencies and their dependents under a plan
203 procured pursuant to section 5-259; or

204 (11) Any new or renewal contract or policy entered into on or after
205 July 1, 2005, to provide health care coverage to retired members and
206 their dependents under a plan procured pursuant to section 5-259.

207 Sec. 6. (NEW) (*Effective from passage*) The Commissioner of Social

208 Services shall apply for a Medicaid Research and Demonstration
 209 Waiver under Section 1115 of the Social Security Act for the purpose of
 210 converting part or all of the state-funded portion of the Connecticut
 211 home care program for the elderly, established pursuant to section
 212 17b-342 of the general statutes, to a Medicaid funded program. In the
 213 event that the state-funded portion of the Connecticut home care
 214 program is successfully converted to a Medicaid funded program, the
 215 commissioner shall deposit federal funds received pursuant to this
 216 section in the Long-Term Care Reinvestment Account, established
 217 pursuant to section 17b-371 of the general statutes, and shall expend
 218 such funds to increase rates for providers under the Connecticut home
 219 care program for the elderly.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	17b-28e
Sec. 2	<i>July 1, 2010</i>	17b-278a
Sec. 3	<i>from passage</i>	17b-28
Sec. 4	<i>July 1, 2010</i>	17b-28a(b)
Sec. 5	<i>July 1, 2010</i>	12-202a(b)
Sec. 6	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In the last sentence of section 6, "the commissioner shall deposit funds received" was changed to "the commissioner shall deposit federal funds received" for clarity.

HS *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Social Services, Dept.	GF - Cost	Potential Significant	Potential Significant

Note: GF=General Fund

Municipal Impact: None

Explanation

Section 1 of the bill will result in a cost associated with amending the Medicaid state plan to include podiatry services as a covered Medicaid service. This was a covered service until 2002. Based on previous billing, the state could incur a cost of up to \$1 million annually. Such costs would be partially offset by federal reimbursements.

Section 2 requires Medicaid coverage of smoking cessation treatment. The total cost of this service extension will depend upon the Medicaid amendment developed by the Department of Social Services (DSS) and the number of applicable participants. Such plan could include a wide range of services with varying costs, from nicotine chewing gum to pharmaceuticals to psychiatric counseling.

There are approximately 204,500 adults receiving health services through Medicaid (80,000 in fee for service and 124,500 in HUSKY). It is unknown how many in this population smokes and would attempt to quit. For purposes of illustration, if 20% of this population smokes, and 25% of these smokers would attempt to quit, smoking cessation services would be provided to 10,225 people annually.

Section 6 will result in a cost associated with applying for a waiver

to convert part or all of the state-funded portion of the Connecticut Home Care program for the elderly to Medicaid. DSS would incur administrative and contractual costs of approximately \$100,000 to develop and submit such a waiver.

If the waiver received federal approval, the state would realize a revenue gain of up to \$37.9 million associated with the 50% federal reimbursement of total program expenditures. However, the bill specifies that such funds shall be deposited into the Long-Term Care Reinvestment Account to fund rate increases for Connecticut Home Care program providers.

The remaining sections of the bill make technical changes and/or have no fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5411*****AN ACT CONCERNING MEDICAID.*****SUMMARY:**

This bill makes several unrelated changes in the Medicaid law. Specifically, it:

1. restores coverage for podiatry as a Medicaid state plan covered service, beginning January 1, 2011;
2. extends the deadline for DSS to amend the state plan to include smoking cessation coverage;
3. requires DSS to apply for a Medicaid waiver to get federal Medicaid matching funds for all or a portion of the state-funded portion of the Connecticut Home Care Program for Elders; and
4. adds the healthcare advocate or his designee to the council that oversees some of DSS' medical assistance programs (currently called Medicaid Managed Care Council), makes changes in the statutory language to more accurately reflect the council's activities, and removes obsolete language pertaining to the council and care management programs.

The bill also makes technical and conforming changes.

EFFECTIVE DATE: Upon passage, except the smoking cessation and some technical provisions are effective on July 1, 2010.

COVERAGE FOR PODIATRY

The bill requires the DSS commissioner to amend the Medicaid state plan to include podiatry services as a covered Medicaid service (see **BACKGROUND**). The plan amendment supersedes any existing DSS

regulations related to this coverage.

Currently, DSS pays for podiatry services provided by clinics, orthopedists, and other physicians but not those provided by independent podiatry practitioners.

SMOKING CESSATION

By law, the DSS commissioner must amend the Medicaid state plan to provide coverage for smoking cessation treatment ordered by a licensed health care professional who possesses a valid and current state license to prescribe smoking cessation drugs. DSS has never amended the plan. The bill specifies that DSS must amend the plan by January 1, 2011.

Under current law, the commissioner must amend the plan in accordance with a plan he develops, which he was to submit to the Human Services and Appropriations committees by January 1, 2003, with implementation by July 1, 2003 if funding was provided in the FY 04 budget.

The bill also repeals a provision requiring that if the initial smoking cessation treatment is not successful, all prescriptive options must be available to the patient.

WAIVER TO COVER STATE-FUNDED CONNECTICUT HOME CARE PROGRAM FOR ELDERS

The bill requires the DSS commissioner to apply for a Section 1115 Medicaid Research and Demonstration waiver to cover all or part of the state-funded portion of the Connecticut Home Care Program for Elders. If it receives the waiver, the commissioner must (1) deposit any federal funds received into the Long-Term Care Reinvestment Account and (2) spend the funds on rate increases for providers serving program clients.

BACKGROUND

Elimination of Independent Provider Podiatry Coverage

In 2002, the legislature directed DSS to submit a Medicaid state plan

amendment to implement provisions concerning optional services to reflect a cut in DSS' FY 03 budget. The law was written broadly and did not specify how the reduction was to occur. In December 2002, DSS issued a policy that enumerated specific services that would be eliminated (only for clients aged 21 and older), including independently enrolled podiatrists. Since then, DSS has paid for podiatry services provided by physicians, including orthopedists, and those provided in clinics.

Connecticut Home Care Program for Elders and Long-Term Care Reinvestment Fund

The Connecticut Home Care Program includes Medicaid- and state-funded portions. The Medicaid portion is run under a federal Medicaid home- and community-based services waiver and is available to individuals with income no higher than 300% of the maximum Supplemental Security Income benefit (\$2,022 per month for an individual). Individuals with higher incomes may qualify for the state-funded portion of the program and must pay a portion of their care costs.

The legislature created the Long-Term Care Reinvestment Fund in 2008, which is a separate, nonlapsing account that, by law, holds enhanced federal matching funds related to the Money Follows the Person demonstration project.

COMMITTEE ACTION

Human Services Committee

Joint Favorable Substitute

Yea 17 Nay 2 (03/23/2010)