



Quality is Our Bottom Line

Connecticut Association of Health Plans

Testimony regarding

SB 32 AN ACT IMPLEMENTING THE GOVERNOR'S BUDGET RECOMMENDATIONS CONCERNING SOCIAL SERVICES.

On behalf of the three HUSKY Managed Care Organizations (MCOs) Aetna Better Health, AmeriChoice of Connecticut and Community Health Network of CT, Inc., the Connecticut Association of Health Plans would like to state for the record its support of the current capitated managed care program. We believe, that if funded appropriately, it is the best method of delivering state health care services to the HUSKY population allowing limited state resources to be focused in those areas most in need. Managed care provides the state with the best opportunity to contain costs and have some predictability of costs in the HUSKY program. The ASO model puts the state at risk for increases in medical costs, unlike managed care where the state pays capitated payments to the plans that are at risk for any medical costs that are above that capitated payment. This is especially important given new data that shows Medicaid enrollment of children increased 14.5% in CT from 2007 to 2009.

If, however, the State decides as a matter of policy to move forward with an Administrative Services Option (ASO) for purposes of the Medicaid program, we respectfully request careful consideration be given to the following matters:

* Continuity of Service

- 1) We support statements offered by the Department of Social Services indicating their intent to move forward under a non-risk arrangement with the current MCOs. The HUSKY population has endured a significant amount of disruption over the past few years and given that the current program has only been fully operational a little over a year, we would discourage any policy changes that would result in large numbers of clients being mandated to switch to another plan or program.
- 2) The current MCOs have dedicated significant time and resources to addressing issues raised by the broader Medicaid community around access. Allowing MCOs to continue managing the provider network and to pay claims under an ASO arrangement, we believe, would afford Medicaid members the best access to a wide range of providers and minimize any disruption for members in the transition from a capitated system to an ASO program.

Our preliminary analysis shows that MCO provider networks, collectively, are broader than the current State Medicaid network and we are concerned about the level of disruption that our members may experience if their primary care physician or specialist chooses not to participate in the State's network.

Under a capitated system, MCOs are able to attract providers who traditionally would not participate in the State's network because:

- MCOs have the ability to negotiate reimbursement rates that are higher than the Medicaid fee schedules in order to provide access to services in non-urban areas and for certain specialties; and
- For those providers who will accept Medicaid rates but only want to see their existing patients, we will accommodate their request of a limited or closed panel.

Provisions would need to be made under an ASO arrangement to provide for such distinctions to assure that continuity of service for HUSKY members under the current networks is preserved.

Furthermore, health plans use claims data generated by virtue of managing their provider networks to guide many of their efforts around disease management. Ready access to such data is key to the success of these programs which is more easily accomplished if MCOs manage the network. It's also important to note, that MCOs credential providers according to NCQA (National Committee for Quality Assurance) measures assuring a high quality standard for providers providing for the health and safety of our members.

Thank you for your consideration.