



**Testimony of Victoria Veltri
General Counsel**

**Before the Human Services Committee
In support of SB 139, HB 5068 and HB 5145
February 23, 2010**

Good morning, Senator Doyle, Representative Walker, Senator, Representative Gibbons and members of the Human Services Committee. For the record, I am Vicki Veltri, General Counsel with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

I am here today to testify on behalf of OHA, in favor of several bills. The first is SB 139, *An Act Concerning the Independent Monitoring of the HUSKY Program*. For the first time since the inception of the HUSKY Program, SB 139 would require, by statute, the Department of Social Services ("DSS") to contract for the independent performance monitoring of the HUSKY Plan. Importantly, the bill requires DSS to contract with a nonprofit organization for the performance monitoring.

While the Children's Health Council, the predecessor to the nonprofit Connecticut Voices for Children, conducted independent evaluations of the HUSKY Program, including specific evaluations about the program's performance with respect to children with special health care needs, and regular performance monitoring under the vestiges of an agreement between DSS and the Hartford Foundation, a truly independent and comprehensive performance evaluation of the program hasn't been conducted in years. A statutory, and therefore clear and directed requirement to contract with an independent entity to do such monitoring is long overdue. The Medicaid managed care council cannot provide the level of oversight that an independent entity with access to the data can.

OHA and other health advocates have repeatedly voiced concerns about the lack of a clear statutory obligation to conduct independent performance monitoring in the HUSKY Program. As a requirement of its 1915(b) waiver for the Medicaid managed care program, DSS contracted with Mercer, its existing actuarial services contractor, to provide external quality review evaluations. Mercer is not truly independent, and certainly is not non-profit.

Mercer's "paycheck" from the state of Connecticut is premised on an obvious conflict of interest between its contractual duties to develop HUSKY premium or capitation rate ranges for DSS and provide external quality review for the program. To put it bluntly, there is no incentive for Mercer to criticize the HUSKY program; if it does, it might jeopardize its capitation rate development contract. Although Mercer conducted one secret shopper survey at the direction of DSS, itself under heavy pressure from legislators and advocates to provide monitoring of timely access to care, there was no financial risk to Mercer in conducting the survey; DSS and the advocate community were already well aware of what the results showed. As long as Mercer wears two hats in its contracts with DSS, its reviews will continue to carry the taint of a conflict of interest

Mercer's reviews are not the kind of detailed monitoring of services utilization and access that members of the Medicaid managed care council, or the public can use to evaluate the day to day operation of the HUSKY program. The independent non-profit entity that contracts with DSS will provide this monitoring.

While in the Governor's proposed budget there is a line item for independent performance monitoring, there should not be any fiscal impact to the state through passage of SB 139. As it is, however, new language, OHA believes that upon passage, the contract for monitoring the bill should trigger a procurement process. Of course, whatever nonprofit organization is selected via procurement, there must be adequate safeguards to address the disclosure of protected health information.

OHA supports HB 5068, AN ACT CONCERNING AMENDMENTS TO THE MEDICAID STATE PLAN, to ensure that public policy is reflected in state plan amendments prior to their submission to CMS. The traditional process of submission is for DSS to submit such amendments directly to CMS. The amendments themselves can be approved retroactively, allowing DSS to implement the amendment prior to approval by CMS. Submission to the committees of cognizance provides a valid check on the state plan amendment process.

OHA also supports HB 5145, AN ACT CONCERNING AN INCREASE IN THE AMOUNT OF FEDERAL FUNDS RECEIVED BY STATE AGENCIES. Connecticut is notorious for its rate of return of federal dollars for every federal tax dollar spent. All state agencies recognize the severity of the budget problems in Connecticut. It is vital that our agencies, particularly the large agencies of DSS, DCF, DMHAS and DDS, the programs of which are eligible for the most extensive matches in federal funds, present their detailed plans on federal revenue maximization.

Thank you for your attention to my testimony. Please contact me directly with any questions at victoria.veltri@ct.gov or (860) 297-3982.