



Testimony before the Human Services Committee

Commissioner Michael P. Starkowski

March 1, 2011

Good morning, Senator Musto and Representative Tercyak and members of the Human Services Committee. I am pleased to be here this morning to present testimony on legislation introduced at the request of the department and would like to thank the Committee for raising these bills. In addition, I am providing testimony on several other bills that impact the department.

Bills raised at the request of the Department:

S.B. No. 1041 (RAISED) AN ACT REPEALING A STATUTE CONCERNING FEDERAL AID FOR EMERGENCY RELIEF.

The Individual and Family Grant program regulations, which were originally drafted by DSS pursuant to federal law (section 411 of Public Law 100-707), have since been amended by both federal and state law. CGS 28-9d transfers the responsibility for the federal assistance for individual or family disaster-related expenses to Department of Emergency Management and Homeland Security.

The department has requested that this statute (17b-13), therefore, be repealed, so as not to present any possible conflicts with state law.

H.B. No. 6357 (RAISED) AN ACT CONCERNING ADMINISTRATIVE HEARINGS UNDER THE MEDICAID ELECTRONIC HEALTH RECORD INCENTIVE PROGRAM.

This bill would provide eligible providers and hospitals the right to request an administrative hearing under chapter 54 of the Connecticut General Statutes to contest an adverse action in the Medicaid Electronic Health Record Incentive Payment Program.

The American Recovery and Reinvestment Act requires that aggrieved providers wishing to contest an adverse action under the Medicaid Electronic Health Record Incentive Payment Program be given the opportunity for a full administrative hearing. However, Connecticut law requires that the right to full administrative hearings under chapter 54 be granted in statute. This proposal grants providers that right and brings Connecticut in line with federal law.

H.B. No. 6356 (RAISED) AN ACT CONCERNING A CLARIFICATION OF THE DEPARTMENT OF SOCIAL SERVICES' REQUIREMENT TO GIVE NOTICE REGARDING REPAYMENT OF SERVICES.

As required by PA 10-183, the department is required to provide notice to any individual who may be liable to repay public assistance benefits provided to someone that the individual has a legal liability to support at the time of application or within 30 days of benefits being granted. The proposed language clarifies that the department is also required to provide notification within 30 days of the date that any other liable individual is identified.

I thank you for raising these proposals on behalf of the department and I request your favorable action on these bills.

Bills with DSS Impact:

Proposed H.B. 5429 AN ACT CONCERNING AVAILABILITY OF MEDICARE SUPPLEMENT INSURANCE TO PERSONS ELIGIBLE FOR THE QUALIFIED MEDICARE BENEFICIARY PROGRAM.

The purpose of this bill is to allow persons eligible for the Qualified Medicare Beneficiary Program to also purchase a supplement insurance policy or change from one type of Medicare supplement insurance to another.

We support this proposal and believe that it would benefit recipients by expanding access to more providers.

Proposed H.B. No. 5895 AN ACT CONCERNING HUSKY ELIGIBILITY DURING TIMES OF HIGH UNEMPLOYMENT.

This bill would require the Commissioner of Social Services to continue to provide benefits under the HUSKY program to each person receiving such benefits, regardless of whether the recipient exceeds the income eligibility level until the state's unemployment rate is below 7 ½ percent for a period of six months.

This bill would require a significant amount of state funds, for which we would not receive federal match. In addition, funding for this expansion is not included in the Governor's proposed biennial budget. As a result, we cannot support this bill.

It should be noted that children are already eligible under HUSKY B, regardless of income. Furthermore, Temporary Family Assistance and HUSKY A recipients who leave the program due to increases in earnings are allowed up to one year of medical coverage without regard to earned income.

Proposed H.B. No. 5893 AN ACT CONCERNING HOME AND COMMUNITY-BASED SERVICES FOR PERSONS WITH ACQUIRED BRAIN INJURY.

This bill requires that for every person the department moves onto the ABI waiver through Money Follows the Person, we would also have to move one person off of the ABI waiver wait list and onto the program. This would potentially add another 35 individuals through December 31, 2011, at a cost of \$3.3 million.

The appropriation funding available for the ABI waiver does not support such a change. Money Follows the Person is a federally-supported initiative that was created to enable more Medicaid recipients living in institutional settings, such as long-term care facilities, to move back to communities. Over the biennium, over 100 clients are expected to transition from a long term care facility to the ABI waiver under Money follows the Person.

This bill would increase the number of individuals served by this waiver. In order to accommodate that increase it would require a significant infusion of state dollars. Funding for this expansion is not included in the Governor's proposed biennial budget.

Proposed H.B. No. 5757 AN ACT CONCERNING THE EXPANDED UTILIZATION OF FEDERALLY QUALIFIED HEALTH CENTERS.

This bill seeks to expand the role of federally qualified health centers by designating FQHCs as the lead providers in coordinating health care. While we support the expanded use of FQHCs in this manner, we believe they should be one of a variety of providers throughout the state with this role.

H.B. No. 5434 (COMM) AN ACT CONCERNING PROCESSING OF SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM APPLICATIONS.

HB 5434 proposes the placement of existing DSS staff at community action agencies, hospitals and community health centers as a way to increase participation in the Supplemental Nutrition Assistance Program (SNAP, formerly the Food Stamp program). The bill further requires that DSS "designate a sufficient number of existing employees ... to process applications for the SNAP program to ensure such applications are processed in a timely and accurate manner."

While DSS agrees that it is imperative that we improve application processing, reassigning and relocating existing workers would create stresses in processing

applications in other critical programs such as HUSKY, Temporary Family Assistance and State Supplement.

Community action agencies currently are authorized and funded to assist individuals with SNAP applications. Placing DSS staff there would be redundant and an inefficient use of resources and negatively impact other DSS regionally operated programs. It should be noted that DSS staff are currently located in many hospitals, nursing homes and health centers and are able to accept SNAP applications. These staff are in large part funded by the hosting provider.

To improve the SNAP application processing, the department is working on a number of initiatives with the concurrence of the federal government.

- Implementing pilot SNAP-only units / SNAP Teams
- Designate specific staff for SNAP application evaluation – eligibility supervisors
- HUSKY / SNAP Call Center
- Re-design Reception Room Processes
- Establishment of Best Practices Workgroups
- Recent SNAP Leadership Summit

It is our intent to review each initiative and expand any pilots determined successful. This determination of “best practices” and future expansion will be implemented in consultation with our federal partners at Food and Nutrition Service (USDA).

While we feel this methodology is more responsive to the needs of our SNAP clients, as well as other DSS recipients, than relocating existing staff to the non-profit community we are pursuing community-based options. We believe that the best way to increase SNAP participation is to continue to support the ongoing efforts of our SNAP outreach contractors and enhance their participation in the application process. Recently, we began discussions with USDA to ascertain the specific functions that can be performed by our community partners. It is our intention to request an official waiver from USDA to allow qualified community partners to expand their role in SNAP processing to the fullest extent allowed by federal law. This role expansion may include the ability to perform face-to-face interviews for applicants.

S.B. No. 296 (COMM) AN ACT CONCERNING REIMBURSEMENT RATES FOR MEDICAID PROVIDERS.

The proposed bill would “restore the reimbursable Medicaid floor amounts that were in place prior to the contract entered into between managed care organizations and the Department of Social Services in July 2010.”

The requirement that the MCOs pay no less than the Medicaid fee-for-service floor was never a requirement of federal or state law. Rather, it was voluntarily established by DSS in order to ensure that medical providers would benefit from funds appropriated for provider rate increases when the HUSKY program was re-procured in 2008. Specifically, it was the department's intent to ensure that the new MCOs passed on rate increases to providers to bring them at least to the level that was established in the Medicaid fee-for-service program.

At the time that this contractual requirement was imposed, it represented a significant change from the way the HUSKY program had been administered since it was established in 1995. Without the addition of this requirement to the MCO contracts, it was possible for the MCOs to negotiate or renegotiate existing rate agreements without any specific guidance on rates. In essence they could negotiate rates below Medicaid and where rates were below our fee-for-service schedule they could remain unadjusted. The result would be that the portion of funding included in the capitation rates appropriated intended to fund provider rate increases could instead contribute to each MCO's profit margin, direct administrative costs or corporate allocation. Once imposed, the Department intended to keep the rate floor requirement in place at least through the duration of the appropriated rate increase contained in the biennial budget for SFY 2008 and SFY 2009.

With the passage of the current biennial budget for SFY 2010 and SFY 2011, the legislature budgeted substantial savings in the HUSKY program. For various reasons, not all of these savings were achievable. However, the Department has been making an effort to reduce HUSKY program costs, wherever possible, to enable the negotiation of economical capitation rates and thereby reduce the deficiency in this program. The MCOs made a number of recommendations that would enable them to reduce program costs, including elimination of the fee-for-service floor. In March 2010 the department eliminated the floor requirement for laboratory services and the purchase of durable medical equipment; in August 2010 the department eliminated the Medicaid fee-for-service floor requirement for all other Medicaid services other than services provided by Federally Qualified Health Centers.

Concerns have been raised that this change might reduce physician participation and/or reduce access. As you know, DSS takes concerns about member access very seriously. In the past year, we have put a number of new and revised measures into place to ensure that the Department is positioned to monitor and evaluate changes in utilization or access related complaints and to take appropriate steps to investigate those changes. MCO member access and network adequacy performance are evaluated using a composite of measures, recognizing that no single measure can be used to determine whether members are receiving needed care timely. These measures enable the Department to monitor access to covered services, while enabling the program to operate cost-effectively until capitated managed care and the 1915(b) waiver is discontinued as of December 31, 2011.

It should be noted that the existing managed care structure, with rates individually

negotiated by each MCOs, will discontinue effective January 1, 2012, just ten months from today. At that time the Department will begin the administration of all of Medicaid under an administrative services organization structure, using the Department's medical assistance program network. Once the ASO structure is operational, all Medicaid providers, including physicians, durable medical equipment providers and providers of laboratory services, will be reimbursed in accordance with the methods established in the Connecticut Medicaid State Plan. Until this conversion, the department will continue to diligently monitor provider participation and enrollee access under the existing managed care system.

S.B. No. 1042 (RAISED) AN ACT CONCERNING A PILOT PROJECT UNDER THE JOBS FIRST EMPLOYMENT SERVICES PROGRAM.

S.B. 1042 adds new language to establish a pilot program, within available appropriations, to serve not less than 100 TFA clients participating in the Jobs First Employment Services (JFES), and provide them with intensive case management services; assistance in accessing needed support services, training, education and work experience; and funding to facilitate participation in necessary adult basic education, skills training, post-secondary education or subsidized employment.

The proposed pilot seeks to provide services already being provided by the current JFES program and its contractors. For example, intensive case management services that follow the National Association for Social Work case management standards are provided by a contractor – the CT Council for Family Service Agencies. Currently, there are approximately 400 JFES clients enrolled in this JFES component. Case managers and social work clinicians help to reduce client barriers in order to re-engage clients in JFES work activities.

Also, the core JFES employment activities currently comprise the following and are provided by employment counselors at the five Workforce Investment Boards:

- 1 - employment plans/goals;
2. -support services such as bus passes, travel reimbursement and allowances for child care,
3. access to training, education and work experience opportunities that are directly connected to labor market conditions within the various regions of the state;
4. access to basic skills.

As of January 2011, staff at the five WIBS enrolled 6,823 clients in the following activities – Unsubsidized & subsidized employment – 2,038; Job Search – 5,446; Vocational Education/Occupational Skills training – 857; Basic Skills Education – 314; Community/Support Services – 95. This distribution of participation by activity is driven by the federal requirements in the Deficit Reduction Act of 2005 that limits which activities can count toward the first 20 hours of the 30-hour work participation requirement.

Subsection (b) of section 1 of the proposed bill requires the granting of unlimited extensions of TFA benefits during this pilot for people who make a good-faith effort to comply with its requirements and who have not exceeded the sixty-month limit in subsection (c) of section 17b-112 of the general statutes. Allowing TFA participants to continue to receive TFA benefits for a longer period of time than that which is currently in statute would increase the cost of TFA. In addition, the overall cost of JFES case management and work support services, such as transportation benefits, will increase. We are concerned that if this component of the bill is implemented without increased appropriations, it would jeopardize the current provision of services for the 8,500 participants currently participating in the JFES program.

With regard to subsection (c) of section 1 of the proposed bill, DSS and its JFES partner, the CT Department of Labor (DOL), are part of a federal research grant and have contracted with UConn to study the long-term impacts of the various components of the existing JFES program, including the long-term outcomes for former JFES participants. A draft report is due by mid-summer 2011. We believe that this research, along with the resulting report that will be issued, is consistent with the intent of legislation and the additional reporting requirement in this subsection is duplicative. We will work with DOL and UCONN to ensure that the elements contained in this subsection are included the federal research grant. Thus, before we move to create a new pilot program with redundant activities, we would recommend further discussions with the General Assembly to determine the best approach within available appropriations.

H.B. No. 6358 (RAISED) AN ACT CONCERNING TECHNICAL REVISIONS TO THE CARE 4 KIDS STATUTES.

H.B.6358 adds new language to the Care 4 Kids statute that would require DSS to notify all providers and parents when an “operational change” is made. The department does not feel that this change is technical in nature and should not be portrayed as such.

This new legislation cannot be supported as written without specific parameters around the meaning of “operational status.” This can be interpreted very broadly such as notifying parents and providers when the department makes trivial cosmetic changes to forms. Depending on how broad the interpretation of “operational status” is, it could result in an excessive increase in mailing costs and staff resources.

We are happy to work with the proponents on clarifying the language to achieve the goals of the legislation.

H.B. No. 6361 (RAISED) AN ACT CONCERNING NOTICE OF AVAILABLE HOUSING SERVICES TO PERSONS SUBJECT TO EVICTION.

This bill establishes requirements to provide written information on housing assistance programs to people involved in eviction proceedings in housing court. The department

recommends that individuals instead be referred to 211 Infoline for the most up-to-date information on the status of programs.

Currently, 211 Infoline has the capacity to collect and provide accurate information and referral services for housing and other relevant services. We recommend that utilizing the existing 211 infrastructure would be the most efficient and effective way to achieve the goals of this legislation.

HB 6360 AN ACT CONCERNING NOTICE BY THE DEPARTMENT OF SOCIAL SERVICES OF A DECISION TO DENY PAYMENT FOR A PRESCRIPTION DRUG UNDER THE MEDICAID PROGRAM

This issue is currently the subject of a declaratory ruling by the department. The department is currently reviewing whether this is a requirement under federal law. If it is found not to be required under federal law, then this bill would impose additional requirements which would have both fiscal and administrative implications.

Thank you for the opportunity to appear before you today. I'd be happy to answer any questions you may have.