CT SB208

Mr. Chairman/Madam Chair, members of the committee, for the record my name is Robin Kingston with Emdeon and I am here today to testify in support of SB208.

- Emdeon is the nation's largest healthcare data exchange,
  - Processing 6B administrative, financial and clinical transactions annually
  - 90%+ of all providers / 600 system vendors and
  - 1,200 public- and private-sector payers in the country,
  - Including CT Medicaid. Also provide services within the correctional health system, such as our Recovery Audit work for CA Correctional Health Care Services.
  - My purpose is to testify in support of the Bill, provide context and answer any questions you may have; however, my testimony should in no way be construed as advocacy for Emdeon.

- First CT Dept of Corrections and Correctional Managed Health Care should be commended for the unique and innovative approaches implemented to ensure cost effective, quality care to inmates in the state – they are unlike other states we have seen across the county.

- However, in an era of
  - budget constraints and
  - Increasing inmate populations whose demographic is also changing
    - Not only in Increased average age, but also in
    - More complex & chronic diseases,
  - it has never been more important to utilize multiple, proven technologies to contain costs.

- The Bill before you contains 3 key provisions aimed at achieving that goal:
  1. Most significantly, it institutes a mechanism to shift qualified inmates to Medicaid during inpatient stays. While this appears on the surface to be a simple cost shifting of budget buckets, it is projected to save the state $4-5M per year by leveraging both the Medicaid fee schedules (vs. contracted rates) and the Federal share of Medicaid expenses.
  2. Limits financial exposure by capping all non-contract care at Medicare reimbursement + 10%, and
  3. Requires the implementation of electronic services which standard in the commercial health insurance industry today; those would reduce reliance on cost-intensive manual processes, ensure the integrity of the coding of claims to reduce erroneous payments and validate supporting medical documentation and recover funds where up-coding has occurred.
     - Where we perform this work in CA, have recovered > $13M since program inception –> 1-1/2 years ago.

- It is important to note that these measures would not:
  - negatively impact or delay the delivery of quality care to inmates
  - Or, delay payment of legitimate reimbursements to providers.
    - Payments for individuals covered under the Medicaid program would be made in accordance with all existing Medicaid policies and standards in the state. And
    - The contemplated automation of the processes would actually speed reimbursements.

- As previously indicated, the shift of inmates to Medicaid coverage during inpatient stays could save the state upwards of $4-5M. Additionally:
  - The implementation of code editing checks to ensure the integrity of the billing typically yields a savings of 1-3% of the total amount paid, and
  - Audit validation of supporting medical documentation and recoveries typically yield a savings of another 3-7%.
  - This would provide an additional projected savings of $1M - $2M based on CT's annual expense of approximately $19M for non-salary or Pharmacy care.

- The technologies exist today to easily qualify and enroll inmates in Medicaid, as well as deploy the additional cost savings measures contained in the Bill; it is well within the state's ability to achieve meaningful and sustainable savings within the Department of Corrections and Correctional Managed Health Care and I urge the state to act now and I urge you to act on these measures now.

I would be happy to answer any questions you may have.