

TESTIMONY to the Committee on Human Services

March 11, 2014

**Re: SB 407, An Act Concerning A Hospital Quality Of Care Initiative**

Ellen Andrews, PhD

Executive Director

Thank you for the opportunity to share our support for SB 407 and to thank the committee for raising this important bill.

We at the CT Health Policy Project have worked for almost fifteen years to improve the quality and affordability of health care for every Connecticut resident. As a member of, and former staff to, the legislative Medical Assistance Program Oversight Council, I appreciate the challenges in delivering care to Connecticut's most fragile residents.

We have a great deal to be proud of in our state's Medicaid program. On January 1, 2012 the program moved from capitated, insurance-based managed care to a system based on care coordination that pays for results. Since that time quality in the program is up, more providers are participating, and costs per person are down. Fewer Medicaid members are relying on emergency rooms for care they should be getting in a doctor's office and costs per member are down 2%. This remarkable achievement has been noticed by other states seeking to replicate our success.

SB 407 builds on that success adding best practices learned from the successful Medicare Value-Based Purchasing program that is improving hospital quality across the US. Also very encouraging, this proposal comes from Connecticut's hospital community. Providers are volunteering to hold themselves accountable for the quality of care they provide making it far more likely to succeed. SB 407's provision for engagement with DSS for fragile patients at risk for readmission will promote effective discharge planning and follow up, ensuring resources people need are available in the communities where they will heal.

SB-407 also offers Connecticut an alternative "glide path" to achieve the same goals as the controversial SIM proposal now being developed by the administration. Both would improve quality by engaging providers in partnership with consumers, emphasizing improvements in care. However SB 407 achieves these goals without placing providers' interests at odds with the best interests of patients. As the HUSKY experience shows, when done right -- improving quality is linked with cost control. In contrast to SB-407, the SIM plan has had no public hearing, little transparency, and has not engaged critical stakeholders. SIM has been largely driven by the administration's hope of winning a \$50 million competitive federal grant. The greatest concern about SIM, acknowledged in the final SIM plan, is that the proposed shared savings payment model could drive reductions in appropriate care. As a purely quality driven program, SB 407 is not subject to that very serious flaw.

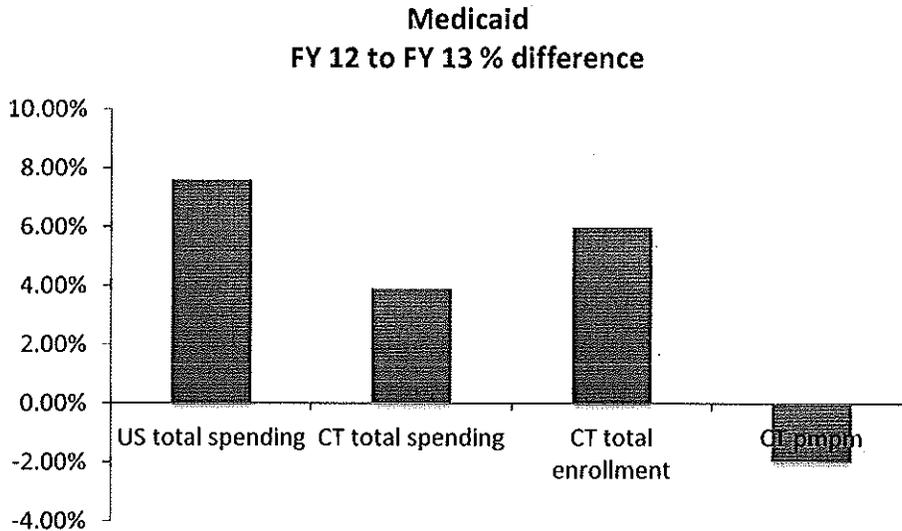
I urge you to pass SB 407 and support hospitals and other stakeholders, including consumer advocates, in important efforts to improve the quality of care for Connecticut's 785,000 Medicaid members. Thank you for your time and your commitment to improving the health of every Connecticut resident.

## Connecticut's Medicaid program success:

### Significant improvements in access, quality care and cost control

January 1, 2012 Connecticut's Medicaid program shifted payment models from capitated managed care organizations to self-insuring with an Administrative Services Organization and person-centered medical homes to coordinate care for clients. Since that time, access to care, the number of participating providers and most quality measures are up; costs per member per month are down.

Between Fiscal Years 2012<sup>1</sup> and 2013, Medicaid spending rose by 3.9%<sup>2</sup> while enrollment in the program grew by 6%<sup>3</sup>, bringing per member per month costs down 2%. In comparison, total Medicaid spending across all states grew by 7.6%.<sup>4</sup>



Between 2012 and 2013, Connecticut's Medicaid program has enjoyed significant improvements in access to high quality care, and lower costs

<sup>1</sup> The change in payment model was only effective for half of FY 2012, lowering savings estimates.

<sup>2</sup> Annual Reports of the State Comptroller -- Budgetary Basis, 2012 and 2013

<sup>3</sup> DSS Active Assistance Unit reports

<sup>4</sup> State Expenditure Report FY 2011-2013, November 2013, NASBO

**Connecticut Medicaid cost, quality and access to care<sup>5</sup>**

Metric		Performance	Timeframe
<b>Providers participating in Medicaid</b>		Up 5,180 32% increase	Jan 2012 to June 2013
<b>Person centered medical homes (PCMHs) -- providers</b>		Up 243 35% increase	Q3 2012 to Q2 2013
<b>PCMHs - clients in one</b>		205,905 25% increase	Q3 2012 to Q2 2013
<b>Hospital admissions</b>		Down 3.2%	Q1 2012 to Q1 2013
<b>Days in hospital</b>		Down 5.0%	Q1 2012 to Q1 2013
<b>Inpatient costs per member per month</b>		Down 1.8%	Q1 2012 to Q1 2013
<b>Cost per hospital admission</b>		Down 2.7% or \$200 each	Q1 2012 to Q1 2013
<b>ED visits</b>		Down 3.2%	Q1 2012 to Q1 2013
<b>Non-urgent ED visit costs</b>		Down 11.7%	Q1 2012 to Q1 2013

<sup>5</sup> DSS presentation to MAPOC, Oct 11, 2013

Particularly encouraging is the expansion of person-centered medical homes. Medicaid clients cared for in PCMH practices rather than non-PCMHs are

- **23% more likely** to receive adolescent well care
- **20% more likely** to receive well-child visits in the 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> years of life
- **26% more likely** to receive adult preventive health services
- **27% more likely** to receive an eye exam as part of diabetes care
- **wait less time** for an appointment for care that is needed right away
- **more likely** to get appointments for a check up or routine care with their provider
- **more likely** to have their child's provider listen carefully and know important information about their child's medical history<sup>6</sup>

**Bottom line: Connecticut's Medicaid program has improved access to quality care and controlled costs since shifting away from a capitated managed care payment model to a self-insured model that focuses on care coordination.**

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<sup>6</sup> DSS presentation to MAPOC, January 10, 2014