

Human Services Committee JOINT FAVORABLE REPORT

Bill No.: HB-5233

Title: AN ACT CONCERNING PAYMENTS TO PROVIDERS OF SOCIAL SERVICES.

Vote Date: 3/5/2020

Vote Action: Joint Favorable

PH Date: 2/25/2020

File No.:

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SPONSORS OF BILL:

Human Services Committee

REASONS FOR BILL:

This bill has two main provisions: to permit non-profit providers of human services to use any surplus in funding to reinvest in client services; and to amend the Medicaid state plan to cover services provided by peer support specialists to clients with substance abuse and/or mental health disorders. The first section is intended to incentivize providers to achieve efficiencies, enabling them to serve a greater number of clients. The second section is intended to assist clients in recovery by providing support from peer mentors who have had successful treatment for similar diagnoses.

RESPONSE FROM ADMINISTRATION/AGENCY:

Deidre Gifford, Commissioner, Department of Social Services: Commissioner Gifford opposes HB 5322. While she expressed support for the peer support specialist model, she explained that the Governor's budget does not provide funding for those services under the Medicaid state plan. She added that DSS believes that it is most suitable to use value-based payment arrangements, as opposed to fee-for-service payment, as a way to enable local providers to support the costs of community health workers, including peer support specialists, in their work.

Melissa McCaw, Secretary, Office of Policy and Management: Secretary McCaw opposes HB 5322. She explained that she felt that the pilot program that was established last year has not yet provided enough information from which to draw reasonable conclusions. She added that the savings any provider should be allowed to retain should be specified, and that the potential costs, absent any limits on savings, could be too high. She echoed Commissioner

Gifford's opposition to including peer support specialists in the Medicaid state plan, due to lack of funding in the Governor's budget.

Steven Hernández, Executive Director, Commission on Women, Children, Seniors, Equity and Opportunity: Mr. Hernández supports both sections of this bill. He explained non-profits would be able to reinvest funds into client services. He believes the bill would promote efficiency and cost savings, and that it is a creative way to support non-profits. He also supports funding for peer support specialists, citing the perspective they bring from their lived experiences, and research showing decreased rates of hospitalization in organizations that have implemented peer support services.

NATURE AND SOURCES OF SUPPORT:

Roberta Cook, President and CEO of BHcare,
Shannon Jacovino, Director of Advocacy & Policy, The ARC Connecticut,
Jennifer Pisano, Associate Vice President, Viability, Inc,
Ben Shaiken, Manager of Policy & Advocacy, CT Community Nonprofit Alliance,
Sabrina Trocchi, President & CEO, Wheeler Clinic:

In each of their testimonies, they express support for both sections of the bill. In regards to the first section, they state that nonprofits would use any additional funds to innovate, invest in programs and find efficiencies. Access to services could be expanded, and more efficient long-term planning could occur. It was frequently mentioned that nonprofits have long been underfunded, and this provides a unique way to support their work. Ms. Cook points out that with this bill, program expansions could happen without delay. Ms. Jacovino shares the success story of a similar pilot program with DDS. Ms. Pisano, Mr. Shaiken and Dr. Trocchi all mention that additional resources could be used to invest in staff and equipment. And both Mr. Shaiken and Dr. Trocchi talk about how this bill would encourage innovating instead of merely spending all allocated monies, even when that is not the most efficient use of funds.

In addition, they support the second section of the bill. They note that there is evidence of the effectiveness of peer support specialists, and that many other states allow Medicaid billing for these services.

Suzi Craig, Chief Strategy Officer, Mental Health CT,
Ashley Dennis, Executive Director, ARC of Greater New Haven,
Susan Kelly, Associate Counsel, Clifford W. Beers Guidance Clinic,
Sandra Lavoy, Sr. Vice President of Community Rehabilitation, CW Resources, Inc:

In their individual testimony, each person expresses support for the first section of this bill, on the grounds that non-profits have been chronically underfunded. They state that this bill would enable them to reinvest in client services, thereby serving a greater number of people. They add that this bill would promote efficiency and innovation.

Marcy Kane, Chair, Legislative Committee, CT Psychological Association: Dr. Kane supports this bill, as she believes in the importance of providing adequate payments to the providers of social services and in ensuring access to quality care. She also expresses support for integrating peer support services into the Medicaid program.

NATURE AND SOURCES OF OPPOSITION:

Ellen Andrews, PhD, Board Chair, Connecticut Health Policy Project: Dr. Andrews opposes this bill as she believes it would incentivize providers to "provide care to clients most likely to reduce costs and avoid less lucrative clients." She adds that research done on shared savings models in other programs and in other states has not shown cost savings or improved care. Dr. Andrews also expresses concern that the bill did not specify the structure of the incentives, nor if the program would be monitored for potential harm to clients. She did not express an opinion on the peer supports section of the bill.

Kathy Flaherty, Executive Director, Connecticut Legal Rights Project: Ms. Flaherty opposes the bill, as it "might incentivize community non-profit service contractors to deny appropriate services to get a financial reward." She adds that if the legislature wishes to provide adequate funding for social service providers, it should appropriate the necessary funds in keeping with the actual costs of providing quality care. Ms. Flaherty suggests that OLR do a report on the outcomes of other shared savings programs. Ms. Flaherty also opposes the second section of the bill, as "the 'medical necessity' requirements of Medicaid would mean imposing a medical model over a concept that is inherently not medical and instead rooted in a tradition of mutual support."

Melissa Marshall, Coordinator, CT Cross Disability Lifespan Alliance: Ms. Marshall opposes section 1 of the bill as it would enable providers to retain 100% of any savings, with no real check on how savings are achieved. She cites research of Medicare ACOs that indicate that money is not saved and that harm to clients has been caused. She adds that Medicaid's claims of savings with PCHM+ are "dubious" and is concerned about the lack of sufficient data on shared savings models in general. Ms. Marshall states they have no position on section 2 of the bill.

Alison Weir, Policy Advocate and Staff Attorney, Greater Hartford Legal Aid: Ms. Weir opposes section 1 of this bill, as it could create an incentive for providers to cut corners or to deny services altogether, and is concerned that savings could be achieved by "inappropriate means." She adds that experience with Medicare ACOs has not shown cost savings, but reduced access, and that there is no evidence yet from the pilot that was established last year. She feels that without "demonstrated success in terms of avoiding adverse consequences for low-income clients of state contractors" this program should not be expanded. She does not express an opinion on section 2 of the bill.

Reported by: Heather Ferguson-Hull

Date: April 3, 2020