

HUSKY Program Update

March 14, 2003

Behavioral Health 'Carve-out'

The implementation of the administrative service organization (ASO) that will contract with the BH Partnership to manage behavioral benefits, originally proposed to begin October 1, 2003, has been deferred until *July 1, 2004*.

Dental Health 'Carve-out'

The implementation of the dental management ASO, originally slated for October 1, 2003 is now planned to begin *January 1, 2004*.

Managed Care

- The managed care organizations' contract with the Department of Social Services has been extended through *December 31, 2003*. Previously there had been plans for procurement of MCOs for the HUSKY program for the contract period commencing July 1, 2003.
- Magellan, the behavioral health subcontractor for Community Health Network of CT (CHNCT) has, as a national company, filed for Chapter 11 bankruptcy, to establish a financial restructuring plan that sets up a better capital structure for the company. On March 11, 2003, Magellan Health Services, Inc announced that the U.S Bankruptcy Court for the Southern district of New York authorized the Company to 'honor all pre-Chapter 11 obligations to its employees, providers and customers in the ordinary course of business'. IN the HUSKY program, CHNCT has a non-risked based, ASO contract with Magellan.

Coverage/Eligibility Changes

Adult Medicaid Optional Services: On January 1, 2003 the DSS implemented legislation passed in the 2002 special session that reduced Medicaid optional services for Medicaid clients > 21 years of age in the State Medicaid fee-for-service and HUSKY A programs. The DSS will no longer reimburse services (listed below) that are provided by the following independent practitioners.

- Podiatrists
- Chiropractors
- Naturopaths
- Independent Therapists (physical therapists, licensed audiologist and speech therapists)
- Psychologists

The State Medicaid program will continue to reimburse services provided by these practitioners as part of a clinic or hospital program.

At the January Medicaid Council meeting, the DSS stated the HUSKY A managed care plans have been instructed to continue to reimburse independent psychologist services until the MCO systems can accommodate the optional service changes. Based on MCO data submitted to DSS and actuarial analysis, the HUSKY adult rate cells will be adjusted retrospectively to January 1, 2003 for all but the independent psychologist services.

FY03 Budget Deficit Modifications: PA 03-2 (see following memo)

The statute contains program cuts specific to the HUSKY program that include the elimination of HUSKY A coverage for adults between 100-150% FPL, effective 4/1/03, the elimination of Continuous Eligibility (CE) for children, effective 3/31/03 and the addition of a \$1.00 pharmacy co-pay applied to prescriptions for clients over age 20 years. Individuals in institutions, pregnant women and family planning drugs and services are exempt from this co-payment. Medicaid clients cannot be denied medications at the pharmacy if they indicate they cannot pay the \$1.00 co-pay.

HUSKY program changes proposed in the Governor's budget for FY04-05 (see OFA web site for more complete information)

- Redirect Medicaid dental funding, eliminating dental services as part of the Medicaid benefit package for adults (optional benefit) putting the \$10 million annual savings toward dental services for children in Medicaid.
- Eliminate presumptive eligibility, which allows individuals who apply for Medicaid at certain sites immediate eligibility for up to 60 days before their full applications are processed and eligibility is determined. Clients can access services, for which health providers are paid through Medicaid during the 60-day period.
- In Bill No. 6548, Sec. 334, Medicaid transitional medical assistance (TMA) would be reduced from two (2) years to one (1) year (federal rules require 12 months of TMA: CT has provided 24 months).
- Implement the Behavioral Health Partnership July 1, 2004. DCF's contribution will consist of about \$93.5M for selected conversion of grant-funded services to FFS, excluding those services provided by Child Guidance Clinics, Mobile Crisis Services and Care Coordinators. DSS will carve out \$200M from the Medicaid & HUSKY B programs.
- Increase in HUSKY B premiums for:
 - Those families with incomes between 185% and 235% FPL (band 1), applying a \$30 monthly premium/child. Currently families in band 1 do not pay a premium
 - Those families in band 2 (235%-300% FPL) will have increased premiums to \$50/month, with a \$75 family cap

- Suspend HUSKY B enrollment for both years of the biennium
- Change the HUSKY B benefit package to make it similar to benefits under commercially available HMO plans.
- Non-specific recommendation to change the current Medicaid medical benefit package to bring it in line with commercial HMO coverage for HUSKY A & FFS. OFA thought this would likely reduce available services and include higher co-payment requirements.
- Implement an Employer health insurance subsidy program, in which DSS could contract with one or more small employer purchasing pools or establish other means to subsidize health premiums. Individuals & families <1855FPL would be eligible.