

# Connecticut Medicaid Managed Care Council

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**Note: HUSKY adults with earned income over 100%FPL remain covered under the 2<sup>nd</sup> Appeals court continuance communication August 7, 2003. These adults will retain HUSKY health coverage until a court decision is reached.**

### FY04-05 Implementer Provisions (SB 2001, HB 6806)

The General Assembly passed the implementer bills for the biennial budget on August 16, 2003. There are significant changes to Medicaid and State Assistance programs, some of which may be implemented by October 1 and others will require an 1115 waiver from CMS. The following highlights some of the changes for Medicaid & HUSKY (see web sites at end for actual legislation & detailed OFA & OR reports):

	<b>Governor's Initial Proposal</b>	<b>FY04-05 Budget/Implementer</b>	<b>Projected Savings</b>
HUSKY A Benefits/Co-Pays	Bring Medicaid medical benefit package in line with commercial HMO coverage, likely reducing available services and increasing co-pays	<p><b>SB 2001, Sec 72-73</b></p> <p>-Benefits for enrollees in managed care will be identical to the State employee Non-Gatekeeper POE plan, shall comply with all Medicaid federal law &amp; regulation.</p> <p>-Enrollees with income between 50 –100% FPL will pay a <u>monthly premium</u> of \$10 per person (PP), not to exceed family amount of \$25 per month.</p> <p>-Enrollees with incomes 100-185% will pay a monthly premium of \$20 PP, family aggregate no more than \$50/month</p> <p>-The MCOs will assess the cost sharing; <u>DSS can deny/discontinue coverage if premium payment is in arrears for 2 months</u>. Client will receive 30-day notice of termination.</p>	<p><b>FY 04- \$15.9M</b></p> <p><b>FY 05-\$22.2M</b></p> <p><b>Implementation: Requires an 1115 waiver</b></p>

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		- <u>Co-payments</u> for <b>all</b> enrollees: maximum \$3 for medical services, \$1.50 for prescriptions.	
HUSKY A Presumptive Eligibility (PE) for Children	Eliminate the PE policy	<b>SB 2001 Sec 57</b>  Eliminated	<b>FY 04-\$2.8M</b>  <b>FY 05-\$3M</b>  <b>Effective upon passage</b>
HUSKY B Enrollment/restructure benefit package/ HUSKY B Premiums	Suspension of HUSKY B enrollment for 2 yrs of budget, change benefit package to that similar to commercial HMO benefits  . Apply the \$30/m premiums to families in Band 1 (>186%-235%FPL). Increase Band 2 (>235-300%FPL) to \$50/m with a \$75 family cap.	<b>SB 2001 Sec 55,56</b>  -No suspension of enrollment  - <u>Benefit structure</u> : services & cost-sharing to be 'substantially similar' to the largest State commercially available HMO benefit package.  - <u>Cost sharing</u> may increase, no greater than 5% of gross income.  - <u>Premiums added</u> to band 1 (>185-235%).  -Eliminates requirement for DSS to submit cost sharing changes to GA committees for approval, denial or modification.	<b>FY 04- \$2.4M</b>  <b>FY 05-\$3.9M</b>    <b>Requires state amendment change</b>
HUSKY Self declaration of income	Repeal	<b>SB 2001, sec 56(h)</b> : remains <u>unchanged</u> from PA01-37	
Transitional Medical Assistance (TMA)	Reduce TMA eligibility for those with earned income from 24 to 12 months	No change noted: CT TMA remains at 24 months.	
Medicaid Prescription co-pays	(PA 03-2)	<b>SB 2001 Sec 69</b>  Requires DSS to make State amendment plan changes to allow pharmacies to <u>deny prescriptions</u> to those that have a 'documented continuous failure' to pay co-pays within <u>6 months</u> . Upon payment, prescriptions will again be filled. <i>Psychotropic drugs are exempt.</i>	<b>Saving associated with PA 03-2:</b>  <b>FY 04 &amp; 05 - \$4.5M</b>  <b>Requires waiver to implement</b>
Implementation the Behavioral Health Partnership	Reallocation of \$200M in FY05 from Medicaid & HUSKY B programs to BHP Special accounts within the BHP	<b>HB 6806 Sec 209</b>  For <b>FY05</b> , 1) \$200M transferred to BHP	

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Adult Rehab Option; FFP allocation	agencies.	account under DSS Medicaid account. 2) \$92,100,551 transferred to BHP account under DCF account. Special accounts for integrated administration of BH benefits have been eliminated  <b>SB 2001, Sec 70: Adult Rehab Option</b>  Allocates up to \$3M of federal match (FFP) from Rehab Option to Community MH Restoration sub-account for FY04 & 05.	
Care Enhancement/Disease Management (DM) for high cost Medicaid recipients.		<b>SB 2001, Sec 51</b>  Requires DSS to design & implement a DM Medicaid program for high cost Medicaid clients. Annual report to GA appropriations & Human Services committees.	<b>FY 04 -\$2M</b>  <b>FY 05 - \$3M</b>  <b>Effective upon passage</b>
Medicaid Dental Funding	Eliminate Medicaid adult dental services, redirecting \$10M to children 's dental services that would be carved out of the MC program	Adult dental services were <u>not</u> eliminated.	
Employer Health Insurance Subsidy (ESI) program	DSS could contract with small employer health subsidy program: individuals and families <185% could participate.	No specific provision for this in either bill.	
State General Assistance (SAGA) Funding	Eliminate funding; increase private hospital DSH payments by \$58.3M to offset increased uncompensated care due to this	<b>SB 2001</b>  <b>Sec 42: Cash Assistance</b>  -Eligibility criteria unchanged, reduction in monthly benefit from \$350 to \$200.  -\$50 less to eligible family cases.  <b>Sec 43: Medical Assistance</b>  -Grant funded 'entitlement program, services thru FQHCs, health centers or hospitals. Benefits limited to those available @ these	

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		<p>sites. DSS will ensure ancillary/specialty services available based on access needs.</p> <p>-DSS may contract with MCO/other entity for program administration.</p> <p>-Drugs will be dispensed thru FQHCs 340B program. Recipient \$1.50 co-pay per script.</p> <p>-Requires DSS to apply for a HIFA waiver by 3/1/04 to &gt;SAGA numbers for Medicaid coverage. Waiver subject to GA committees' approval (17b-8).</p> <p><b>SB 2001, Sec 80</b> allows DSS to transfer families currently enrolled in SAGA to TFA (400-500 families)</p>	
Medicaid Fee-For-Service ( <b>FFS</b> ) Preferred Drug List (PDL)	For next 2 yrs phase in PDL with one class of drugs (proton pump inhibitor).	<p><b>SB 2001, Sec 82-84</b></p> <p>-Pharmacy to use most cost effective dosage, unless PA allows otherwise.</p> <p>-FY04, PDL includes <u>3 drug classes</u> including proton pump inhibitor (PPI). PDL applies to Medicaid, ConnPace, and SAGA.</p> <p>-Changes Medicaid P &amp; T Committee composition &amp; abilities.</p>	<p><b>FY 04 - \$12.5M</b></p> <p><b>FY 05 - \$15M</b></p> <p><b>Effective date: upon passage</b></p>
Qualified aliens' eligibility for state funded TFA or SAGA (17b-112c)		<p><b><u>No extension of 6/30/03 statutory (17b-112c) application deadline:</u></b></p> <p>-DSS cannot process/accept applications received after 6/30/03.</p> <p>-Those previously deemed eligible remain eligible for services.</p>	
Children's Health Council (CHC) Funding	Funding eliminated	<b>HB 6806 Sec 243</b>	

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		\$100,000 carries forward from DSS funds 'Other Expenses' as a grant to the Hartford Foundation for Public Giving for CHC for FY04.	

For more information: <http://www.cga.state.ct.us/> to access HB 6806 & OFA Fiscal Note, SB 2001 & OFA fiscal note. Legislative Research bill summary: [www.cga.state.ct.us/olr](http://www.cga.state.ct.us/olr). Brief summary from Children's Health Council: <http://www.childrenshealthcouncil.org/>.

*Other implementer sections related to health insurance, Medicaid reimbursement, and other programs that include HUSKY children:*

- *Eligibility for Municipal Employees Health Insurance Program (MEHIP): SB 2001, sec 31-32 allows members of an association for personal care assistants employed by recipients of specific programs for the elderly, mental/physical disabilities or brain injuries; 6806, sec 63 extends eligibility to individuals eligible for specific federal health coverage tax credit.*
- *Medicaid reimbursement: SB 2001, hospitals/outpatient (sec 67-68); nursing homes & ICF/MR (section 50). HB 6806, section 197; psychiatric nursing home visits.*
- *Birth-to-three changes: SB 2001, sec 7-9.*
- *SB 2001, sec 6: DPH/OPM child & adult immunization program funding and data collection on immunization status of certain Medicaid children.*