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[Date]

Bruce D. Greenstein  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Department of Health and Human Services  
Centers for Medicare and Medicaid Services  
JFK Federal Building, Government Center  
Room 2275  
Boston, MA 02203

Dear Mr. Greenstein:

Enclosed please find the Connecticut Department of Social Services' (the "Department") amendment to the HUSKY A program waiver. The waiver amendment provides for a carve-out of behavioral health services from the HUSKY MCO capitation rates effective October 1, 2005, and the administration of these services by an administrative service organization (ASO) under contract to the Department. The Department will continue to administer behavioral health services for HUSKY A enrollees in a manner different than for Medicaid FFS enrollees. Consequently, the Department is proposing to continue to include these services under the waiver in order to waive comparability requirements. There will be no restriction on provider choice for behavioral health services. The Connecticut Department of Children and Families (child mental health/child welfare/juvenile justice) will function as an administrative partner to the Department with lead responsibility for clinical management policies and will co-sign the ASO contract.

The ASO will be responsible for managing behavioral health services including all specialty behavioral health services provided by general hospitals, psychiatric hospitals, freestanding mental health clinics, Federally Qualified Health Centers, home health care agencies, and independent behavioral health practitioners. The ASO will also manage access to private non-medical institutions under the rehabilitation option. The waiver financials have been updated to reflect the addition of private non-medical institutions to the scope of services covered under the waiver.

The ASO services include member services, utilization management, intensive care management, quality management, provider relations, reporting, and grievance processing.

Behavioral health services will be subject, in most cases, to notification or prior authorization procedures administered by the ASO. The ASO contract will require that the ASO authorize all medically necessary behavioral health services that may be recommended or ordered pursuant to an EPSDT periodic or inter-periodic examination including medically necessary services that are not otherwise covered under the Connecticut Medicaid Program.

The behavioral health service network will be the Connecticut Medical Assistance Provider (CMAP) network, which is under contract to the Department and which is the same network that provides services for Medicaid FFS beneficiaries. The Department will be responsible for provider reimbursement and claims processing through its Medicaid Management Information System.

The ASO contract will be a fixed price contract. The contract cost will not change as long as enrollment remains within a prescribed corridor. The contract will include a 7.5% withhold in each year of the contract to be paid only upon the contractor's ability to meet specific quality related performance targets

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(e.g., member satisfaction, follow-up after hospitalization). The contract will also contain standards and sanctions related to the performance of administration functions (e.g., average speed of answer). The contractor will not be at risk for claims costs and there will be no financial incentive for the provider to deny authorization or otherwise restrict access to services. The Departments will include independent assessment of the ASO and the behavioral health carve-out in its External Quality Review Organization contract with Mercer.

The HUSKY MCOs will continue to be responsible for all laboratory, pharmacy, emergency and non-emergency medical transportation, hospital emergency department services and primary care services, regardless of diagnosis. The Department recognizes the need for coordination of services between the BH ASO and the HUSKY MCOs and will include detailed requirements in the ASO and MCO contracts related to this. In addition, the ASO will develop specific coordination agreements with each of the MCOs.

The Department will make the contract available for CMS review once the terms of this contract have been negotiated. We anticipate that the contractor will be designated by CMS as a Quality Improvement Organization (QIO) or QIO-like entity and that a portion of the ASO's services will qualify for enhanced federal financial participation.

If you or your staff have any questions concerning this amendment, please contact Mark Schaefer, Medical Care Administration, at 860-424-5067. Thank you for your assistance in this matter.

Sincerely,

Patricia A. Wilson-Coker, JD, MSW

Encl.

cc: Darlene Dunbar, Commissioner, Department of Children and Families  
Michael P. Starkowski, Deputy Commissioner  
Karen Snyder, Chief Operations Officer, Department of Children and Families  
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