

TO: The Honorable Toni Nathaniel Harp, Senate Chair
The Honorable Denise Merrill, House Chair
The Honorable David Capiello, Senate Ranking Member
The Honorable Arthur O'Neill, House Ranking Member
Members of the Appropriations Committee

The Honorable Mary Ann Handley, Senate Chair
The Honorable Peter F. Villano, House Chair
The Honorable John A. Kissel, Senate Ranking Member
The Honorable Lile R. Gibbons, House Ranking Member
Members of the Human Services Committee

FROM: Patricia A. Wilson-Coker, Commissioner

RE: **CONNECTICUT MEDICAID MANAGED CARE 1915(b) WAIVER AMENDMENT /
BEHAVIORAL HEALTH CARVEOUT / COMMUNITY KIDCARE**

DATE: May 5, 2005

In accordance with the provisions of Section 17b-8 of the Connecticut General Statutes, I am pleased to submit to the Human Services and Appropriations Committees of the Connecticut General Assembly the Department's proposed Medicaid Managed Care 1915(b) Waiver Amendment to create an integrated system for the administration of behavioral health services for HUSKY A enrolled parents and children. The waiver amendment is faithfully submitted in accordance with the Connecticut Community KidCare enabling legislation, Connecticut General Statutes 17a-22(a)-(f).

I am particularly pleased to submit this proposed waiver amendment in collaboration and partnership with Commissioner Darlene Dunbar of the Connecticut Department of Children and Families (DCF) as the proposed waiver represents a shared vision and commitment to build an integrated, family driven, behavioral health system that combines the broad range of services and supports funded by the two Departments. Our commitment is demonstrated in our longstanding agency partnership begun more than 5 years ago and in the devotion of extensive agency resources and recommended appropriations to achieve the purpose of the reforms we seek to implement.

Behavioral health services have been administered by the HUSKY Managed Care Organizations (MCOs) since the advent of the Medicaid managed care program in 1995. The purpose of this waiver amendment is to carve out the behavioral health services from the capitated portion of the HUSKY program and to return these services to a fee for service model managed by an administrative services organization (ASO) under contract with the two Departments. This reform is intended to address fundamental deficiencies in the current system that limit the provision of timely, appropriate, and effective care to children with special behavioral health needs. The failings of the current system are numerous. There are extraordinarily long and unnecessary stays in inpatient psychiatric facilities and excessive reliance on emergency departments with discharge delays resulting in overnight stays for children. There are long delays in accessing outpatient services and uneven service quality and outcomes. Under the current system, children fall through the cracks and end up in the child

protection or juvenile justice system. There are gaps in essential services, care decisions driven by dollars, and a system of services that is confusing and difficult to navigate. As importantly, the Departments lack the information that would otherwise allow us to research and improve the performance of the system and its services as well as to inform policy.

The amendment itself acknowledges that the design of the existing Medicaid Managed Care program may undervalue behavioral health and that creating a discreet behavioral health benefit under the joint management of our Departments and an ASO is the means by which we can address the shortcomings in the current system. As the most recent *Health Care Reform Tracking Project, 2003 State Survey* has made clear, carve out reforms such as this one are more likely to involve multiple stakeholder groups, provide for family involvement, have discreet planning processes for special populations (e.g., child welfare, juvenile justice), enroll specialty providers within their networks, and provide education and training about home and community-based services and about the needs of specialized populations. Such reforms are more likely to cover a broad service array such as home and community-based services (respite, family support, intensive in-home, day treatment, after school programs, behavioral aides, case management), and provide flexible funding and individualized services. Carve outs also better promote the use of evidenced based practices, facilitate and support the development and operation of local systems of care and incorporate those values and principles in the managed service system.

Commissioner Dunbar and I have no doubt that the essential elements to the reforms we seek are contained in this proposed waiver amendment. There is strong leadership and concurrence from Governor Rell and from Secretary Robert Genuario in the full implementation of Connecticut Community Kidcare. It is demonstrated in the strong policy statement reflected in the recommended state appropriations in the Governor's proposed biennial budget now before the Appropriations Committee. There is strong support from the families of children who will benefit from the reforms we seek and from the advocacy organizations who represent their interests. This model of reform addresses a range of provider issues and proposes new investments in rates and services. The HUSKY MCOs are prepared for the transition of their responsibilities to the ASO. There is a clear vision shared by the partnering agencies through which we will guide the program. A rigorous legislative and community oversight structure is in place in the Behavioral Health Oversight Committee. There has been unprecedented public deliberation and debate in dozens of collaborative meetings and presentation to legislative committees and workgroups. And we are further committed to community based meetings with families, providers and other interested parties as we move ahead with our implementation schedule.

Commissioner Dunbar and I welcome the opportunity to meet with you at your earliest convenience to discuss our ongoing vision and commitment to developing an integrated behavioral health system, the merits of combining our expertise and vision, and the importance and value of building a new system with and for parents and consumers.

We will be calling on you in the days ahead to request a meeting for this purpose. In the meantime, please do not hesitate to contact our agency legislative liaisons, Matthew Barrett (306-3727) or Debra Korta (550-6317), should you have any questions or concerns.

Thank you.

cc: The Honorable M. Jodi Rell, Governor
Robert Genuario, Secretary, OPM
M. Lisa Moody, Governor's Chief of Staff
Darlene Dunbar, Commissioner, DCF