

UPDATE on the HUSKY TRANSITION

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R E C A P

- Governor Rell directed DSS to terminate the MCO contracts for those that had not agreed to our FOI language
- WellCare had previously accepted contract language about FOI.
- CHN has now accepted contract language on FOI.
- All four MCO's have now transitioned to non-risk contracts with medical decisions and rate determinations returned to the Department.
- Pharmacy services were to be carved out January 25th.

UPDATES

- WellCare has now notified DSS that for business reasons it is leaving HUSKY, along with HealthNet and Anthem.
- In light of the reduced plan choices available to clients, the additional (WellCare) clients transitioning, and concerns over the amount of time to insure adequacy of the provider networks in CHN and Fee-For-Service, the end date for the Transitional Agreements with Anthem, HealthNet and WellCare are being **extended from February 29th to March 31st**.

PHARMACY

- In order to allow adequate time for client notice, reduce confusion that would be caused by an in-month change, and provide time for the issuance of Connect Cards, the carveout date for Pharmacy services **has been pushed back from January 25th to February 1st.**
- Members of Anthem, CHN and Preferred One will be able to present their MCO member cards which include their EMS ID's.
- HealthNet members and any other eligible HUSKY clients can request a replacement Connect Card by calling 1-877-CTHUSKY.
- Pharmacists can obtain Client ID's on-line or over the phone using the Automated Eligibility Verification System (AEVS).

PHARMACY (contd)

- HUSKY clients will receive pharmacy benefits according to Fee-For-Service policies, including the Preferred Drug List (PDL).
- Given the expansive nature of the PDL with no PA requirement for behavioral health drugs or anti-retrovirals, we expect that requests for Prior Authorization will be kept to a minimum.
- In the event a temporary supply is requested, DSS will direct the pharmacists to grant a full 30-day supply for the first refill. After that, the standard 5-day temporary supply rule will apply.
- Pharmacists will be directed to contact the prescribing physician in the event that a temporary supply is dispensed, so that the provider will know that PA will be required for any subsequent refills.

NOTICES

- Client and provider notices about the Pharmacy carveout will be mailed out starting next week.
- Notices about Plan Choice (CHN or Fee-For-Service) will be mailed beginning on or around January 29th.
- Notices will be staggered over a 2 to 3 week period to limit the initial call volume impact at DSS, ACS, and 1-877-CTHUSKY.

NOTICES (contd)

- Notices will direct clients to choose between CHN and Fee-For-Service.
- The Department is still open to participation by any other plan that agrees to abide by FOI in time to allow for client notification for April 1 enrollment.
- Clients may choose voluntarily to move to CHN or Fee-For-Service as early as March 1.
- Non-choosers will default to Fee-For-Service effective April 1.

MEDICAL NECESSITY

- All MCO's should immediately refer any recommended denials of service to Dr. Zavoski at DSS.
- HealthNet, Anthem, and Preferred One may continue to use their own proprietary criteria as the basis for their recommendations, **but the final decision rests with the Department.**
- CHN should immediately use DSS criteria.
- If Dr. Zavoski has not responded within 48 hours agreeing to a denial, the service shall be deemed to be approved.

DSS OUTREACH and CONTINGENCY PLANNING

- DSS has received lists of approximately 2,000 MCO providers who are not currently enrolled with either CHN or Fee-For-Service.
- All providers will be targeted for a mailing to encourage enrollment.
- CHN will accept credentialing from any other MCO or DSS enrollment.
- New providers will enroll into CHN based on DSS requirements.

DSS OUTREACH and CONTINGENCY PLANNING (contd)

- DSS to meet with the State Medical Society next week to request their support and assistance in the transition.
- DSS has a designated in-house transition team to respond to calls to 1-877-CTHUSKY from clients and providers during the transition.

HOSPITAL RATES

- Hospital per diems increased effective 10/1/07.
- CHN following new per diems effective January 1, 2008.
- Any differential between hospital per diems paid by CHN, HealthNet, Anthem or WellCare retroactive to 10/1/07 will be paid directly by the Department via a supplemental DSH payment.

PHYSICIAN RATES

- The new physician fee schedule was issued effective 1/1/08.
- CHN currently following the physician fee schedule for HUSKY and SAGA.
- Any differential between physician fees paid by HealthNet, Anthem or WellCare retroactive to 1/1/08 will be paid directly by the Department via a supplemental payment.

SUPPLEMENTAL PAYMENTS

- Approximately \$27 million annualized was budgeted for MD increases in the Medicaid Fee-For-Service, HUSKY and SAGA programs.
- Higher fees went into effect January 1, 2008 under the Medicaid Fee-For-Service, HUSKY (CHN only) and SAGA programs.
- A balance will remain in SFY08 because
 - Increases were effective mid-year
 - Increases will not be adopted by outgoing MCO's (Anthem, HealthNet, and WellCare).

SUPPLEMENTAL PAYMENTS (contd)

- The remaining balance will be carried forward into SFY09 and allocated to the Medicaid Fee-For-Service and HUSKY programs.
- The Medicaid Fee-For-Service allocation will be distributed among physicians in proportion to their Medicaid Fee-For-Service reimbursement for services rendered January 1, 2008 to June 30, 2008.
- The HUSKY allocation will be distributed among physicians in proportion to their HUSKY reimbursement for services rendered January 1, 2008 to June 30, 2008.
- Payments likely will not be made until the 2nd or 3rd quarter in SFY09 to allow for time for claims run-out.

DENTAL RATES

- We are now in agreement with the plaintiffs on the revised fees to increase reimbursement for pediatric procedures by \$20 million a year.
- We are waiting for the agreement to be formally approved.
- RFP to carveout dental to an ASO will be issued shortly for a 7/1/08 implementation date.