



November 14, 2016

Lieutenant Governor Nancy Wyman  
State of Connecticut Office of the Lieutenant Governor  
210 Capitol Avenue – Room 304  
Hartford, CT 06106

Dear Lieutenant Governor Wyman and Members of the Health Care Cabinet:

Health Management Systems, Inc. (HMS) thanks the Governor's Health Care Cabinet for the opportunity to provide comments on the Strategies for Review and Voting Report. HMS provides the broadest suite of healthcare cost containment solutions to help payers improve performance. We deliver coordination of benefits, payment integrity, and data solutions to state agencies, federal programs, health plans, and employers. Using innovative technology through powerful data services and analytics, we prevent improper payments related to fraud, waste, and abuse (FWA); and recover on inappropriately paid claims. As a result of our services, customers recover billions of dollars every year and save billions more through the prevention of erroneous payments.

In Connecticut, HMS has enjoyed a trusted partnership with the State Department of Social Services (DSS) since 1992. HMS is a local company, with our office in Windsor servicing all aspects of our scope of work with DSS. We are honored to assist the State in ensuring that services provided are necessary and provided only to those who are eligible; and that claims are billed and paid appropriately by the responsible party. In state fiscal year 2016 alone, HMS assisted the State with saving and recovering a combined total of \$473 million. HMS is uniquely situated to serve the State of Connecticut primarily because of:

- Data sharing agreements with 400 insurance carriers, with more than 180 of these companies providing coverage to Connecticut; thus maximizing State savings.
- HMS' extensive database, which includes 20 years of DSS eligibility, provider, and paid claim experience, and expertise in analyzing Connecticut's data through these histories and the Data Warehouse.
- Data security through a secure information technology tunnel to the State; enabling HMS to access EMS, impaCT, interChange, and the Data Warehouse.
- Unparalleled working knowledge of DSS policies, regulations, billing requirements, and payment methodologies, and superior relationships with Connecticut providers and other stakeholders in the State.

With that background in mind, HMS is pleased to submit comments on Connecticut's Cabinet Report that focuses on:

1. Leveraging Historical Claims Data for Care Management.
2. Applying Payer of Last Resort Principles.
3. Adopting a Principled Approach to Program Integrity.

### Leveraging Claims Data for Care Management

Connecticut's goals of reducing costs in the health care system by creating and strengthening coordination among historically segregated health care delivery systems [medical, behavioral health, long term care supports and services (LTSS)] and improving the member experience between providers within Consumer

Care Organizations (CCOs) and Community Health Teams (CHTs) can be advanced through aggregation of, and advanced analytics on, member-specific historical claims data.

To this end, HMS recommends that Connecticut ensure access to adequate data sharing for care management, utilization management, and population health management. We urge the State to explicitly permit claims data aggregation which would give payers, CCOs, CHT, and other respective provider groups a more comprehensive picture of a new member, including historical member diagnosis, medication, ancillary services, and LTSS information. Providing comprehensive, decipherable member utilization data will give providers the tools to make informed decisions regarding resource allocation, beginning on day one of enrollment and even before a member consumes services. Such aggregate data would allow providers to quickly identify critical conditions, avoid paying for redundant testing or ineffectual treatments, and identify potential FWA, such as drug-seeking behavior. By significantly avoiding costly unnecessary and/or inappropriate services, savings can be actualized immediately.

As Connecticut transitions from a fee-for-service model to an outcome-based coordinated care model, CCOs, CHTs, and other allied providers will require strong investments in infrastructure, including health care information technology. HMS agrees with the Report's recommendation that in order to be successful in population management and assuming risk, providers will need the necessary infrastructure to collect and analyze both claims and clinical data. CCOs, CHTs and other provider groups will need to develop delivery system processes, including care management platforms, which support population health management models. As such, the State, among other objectives, should seek to support the adoption of a care management platform that:

- Allows providers to participate in collaborative care management.
- Streamlines workflow and integrates outbound and inbound communication.
- Supports compliance with regulatory requirements, including those related to member and provider appeals and grievances.
- Enables data sharing and provides tools for historical claims data aggregation and analysis.
- Facilitates the improvement of member care and outcomes.

Moreover, HMS recommends that the State seek to leverage Delivery System Reform Incentive Payment (DSRIP) dollars to support such infrastructure investments, but also look to appropriate other funds (outside of the purview of health care spending caps) in order to ensure that long-term investment in information technology is ongoing and permanent.

### Applying Payer of Last Resort Principles

By federal and State law, §1902(a) (25) of the Social Security Act and Connecticut's General Statutes §17-b-137 and §17-b-265, respectively, Medicaid must be the payer of last resort. If a Medicaid recipient has other health insurance coverage, that other health insurance coverage must pay primary. The prospective identification of other health insurance and the retrospective recovery of overpayments due to other health insurance coverage are known as third party liability (TPL). The Centers for Medicare & Medicaid Services (CMS) guidance requires that states take all reasonable measures to ascertain the legal liability of third parties to pay for care and services available under their Medicaid state plans.

Over the years, states have increasingly relied upon alternative service delivery models, such as the CCO, and alternative payment models, such as value-based payment (VBP), to provide services to the Medicaid population. In these instances, Medicaid must still remain the payer of last resort. Under the CCO model, the State could tackle this in one of two ways:

1. Allowing individuals with TPL to receive services through the CCO, with either the State retaining TPL responsibility or delegating TPL efforts to the CCO. There are pros and cons to both models, but minimally, clear language identifying TPL responsibility should be included in the final

contracts between the State and the CCO and state law should reflect the proper authorities in either model. The State will have to make careful considerations for Medicaid TPL, ensuring that the State advance their VBP in a manner that they consider Medicaid members enrollment in other coverage in order to ensure that the payment and service can be reconciled between commercial payers and Medicaid.

2. Excluding individuals enrolled in other health insurance coverage from participation in the CCOs as proposed in Massachusetts. The payment models between the CCOs and their respective Medicaid provider networks will be substantially altered making coordination of benefits with, and reconciliation of Medicaid coverage to, commercial health insurance very difficult, if not impossible. As such, the State may want to make alternative accommodations for such individuals.

## Adopting a Principled Approach to Program Integrity

As the State adopts global budgeting and transitions to alternative delivery and payment models, it remained paramount that program integrity is elevated, and is not subjected to cost containment under global budgeting. As such, HMS recommends:

- ***Ensuring program integrity strategies are launched concurrently with the CCOs.*** Many states focus on operations when rolling out Accountable Care Organization (ACO)-like models, but equal effort should be applied to the administration of the CCO, including the application of program integrity initiatives. Doing so ensures that the inherent promises of the model which includes better, more cost effective care are in fact realized.
- ***Ensuring clear delineation of program integrity responsibilities between the CCOs and state staff and/or state contractors through RFP, contract, statutory and/or regulatory guidance.*** There is an appropriate role for each of these entities, but it's imperative for ease of administration and efficiency that the roles and responsibilities be clearly defined, coordinated and results shared. This will help avoid duplication and ensure clear and transparent roles and responsibilities.
- ***Providing adequate remuneration and incentives to all entities responsible for oversight.*** Any worthwhile program integrity initiative drives significant return on investment; however, upfront and ongoing resources are required to maintain these efforts. It's important that states recognize these costs and account for them both in terms of ensuring the rightful assignment of these responsibilities, as well as properly remunerating the responsible entity for carrying out assigned responsibilities.
- ***Imposing sanctions for noncompliance.*** Like many compliance programs, application of both incentives and disincentives is necessary to ensure the assigned responsibilities are completed accurately, and if not, there are tools available to change behavior.

HMS applauds Connecticut for their efforts on the current program and on the proposals contained in the Cabinet Report. We hope that our recommendations assist in developing a more meaningful and cost effective program. HMS appreciates the opportunity to comment on the Cabinet Report. Should you have questions, please do not hesitate to contact Brian Belz, Government Relations Sr. Manager at [Brian.Belz@hms.com](mailto:Brian.Belz@hms.com).

Respectfully Submitted,

Brian Belz, MSW  
Government Relations Sr. Manager