



STATE OF CONNECTICUT  
LIEUTENANT GOVERNOR NANCY WYMAN

**WALLINGFORD FIRM PICKED TO STREAMLINE ADMINISTRATION OF  
HEALTH CARE IN MEDICAID, HUSKY, CHARTER OAK PLANS**  
*Department of Social Services Awards Contract to  
Community Health Network of Connecticut Inc.*

**Sept. 29, 2011**

HARTFORD – Lt. Governor Nancy Wyman today announced the results of a competitive contracting process to administer Connecticut’s major public health care programs - the next step in streamlining how Medicaid and HUSKY serve nearly 600,000 low-income children, families, senior citizens and adults with disabilities.

After a national request for proposals and competitive evaluation process, the Department of Social Services this week awarded Community Health Network of Connecticut Inc. the right to negotiate a contract to become the state’s first ‘administrative services organization’ for coordinating medical care across several health coverage programs.

The Wallingford-based non-profit organization has longtime experience in the HUSKY Plan for children and families. Beginning Jan. 1, it will also assume critical responsibilities in Medicaid for the Aged/Blind/Disabled, also known as ‘Title 19,’ Medicaid for Low-Income Adults, and the Charter Oak Health Plan for higher-income uninsured adults, pending negotiation of contract details.

Lieutenant Governor Nancy Wyman, who announced the state’s restructuring initiative with Office of Policy and Management Secretary Ben Barnes earlier this year, said the selection marks a “turning point” in the coordination and delivery of publicly-funded health care services in Connecticut.

“In essence, we are paving the way for improved customer service for HUSKY and Medicaid enrollees while pursuing savings for hard-pressed taxpayers,” Wyman said. “The move to one administrative entity will streamline and flatten overhead in these critical programs, which represent the largest service expenditure in the state budget at approximately \$4.6 billion. At the same time, extending care management services to the older Medicaid population will improve patient health outcomes and lead to significant savings in the program.”

Wyman, Barnes, and Social Services Commissioner Roderick L. Bremby noted that the goals of the health care administration change include reduced overhead costs by moving away from the current managed health care system, better service delivery through coordinated care, and readiness for national health care reform.

The administration's direction emphasizes improved coordination of medical benefits and outcomes under Medicaid – an extensive program that covers nearly 120,000 seniors and younger adults, and 394,000 children and parents enrolled in HUSKY A. The same advantages will be felt in the smaller HUSKY B program for children and Charter Oak Health Plan for uninsured adults.

“Our overall direction remains system change and improvement,” Barnes said. “The current Medicaid system for seniors, people with disabilities and single adults in poverty offers no coordination or support to patients beyond paying for their care. By the same token, the managed care system in HUSKY can be confusing to enrollees and has been identified as overly profit-driven at the expense of taxpayers.”

Barnes said, “Merging these systems under one administrative services organization contracted to Connecticut's Medicaid agency, the Department of Social Services, will extend vital coordination in the care of senior citizens and adults whose low income qualifies them for Medicaid coverage. “I am very optimistic that we will reach an agreement with Community Health Network that will meet our budget goals and provide great value for Connecticut.”

#### **Helping navigate the system, improving health outcomes**

Bremby explained that the move to an administrative services organization structure is designed to help people navigate the medical coverage system, coordinate doctor referrals and appointments, and ensure that the right care is accessible at the right time.

“It is critical to note that, for the first time, older adults and persons with disabilities with complex health care needs will get help from the Medicaid system in terms of care coordination,” Bremby said. “Currently, many patients who are older or who have disabilities are not doing as well as they could because they have no outside support. Often, they need help with scheduling appointments and negotiating the health care landscape. The new system will offer support to our enrollees by working with their doctors and other health care providers to attain the best outcomes possible.”

Contracting with one administrative services organization will also improve the state's ability to bring resources to the treatment of common, chronic illnesses like asthma and diabetes, and it will help improve prenatal care and healthy births.

“The administrative services organization will use state-of-the-art data analytics to help us efficiently target our resources, measure outcomes, and identify and reward doctors who are providing the finest care,” Bremby said.

A key result of extending coordinating services to the non-HUSKY Medicaid population – adults 65 and older, persons with disabilities and single adults – will be reduced Medicaid expenditures due to improved data collection, disease management and prevention, reduction of duplicative care and other cost-efficiencies.

### **Toward Person-Centered Medical Homes**

Commissioner Bremby also noted that moving to a single administrative entity across health care programs will help the state launch the ‘person-centered medical home’ initiative. This model improves health care outcomes and reduces costs by having a primary care doctor coordinate care with specialists, hospitals, and pharmacists to reduce duplication, avoid errors and ensure patients follow through with their treatment plans. Preventive medicine directed by a medical professional is proven to keep people healthy and out of expensive emergency rooms when they do need treatment.

Under the new model, many individual doctors, practice groups and community health centers will qualify to serve as person-centered medical homes. Beginning in January, and expanding over the next several years, these medical homes will complement the administrative services organization in coordinating care for their patients.

### **Procurement process continues**

The next step in the state procurement process is negotiating contract details between the Department of Social Services and Community Health Network of Connecticut for a five-year contract. This week’s announcement, highly-anticipated in Connecticut health care circles, is technically the right to negotiate a contract. The Department of Social Services is anticipating a first-year contract amount ranging from \$70 million to \$73 million, depending on final negotiated terms.

This new, more cost-efficient purchasing model allows the state to extend leading-edge care management to all of Medicaid for an amount comparable to what the state currently pays managed care organizations to administer the medical benefits in the HUSKY and Charter Oak programs alone.

### **Community Health Network of Connecticut Inc. overview**

Community Health Network of Connecticut is currently one of three DSS-contracted managed health care organizations. As the only non-profit health plan, it has also coordinated medical care in the former State-Administered General Assistance program. Pending successful contract negotiation, Community Health Network will transition from a capitated managed care organization to the single administrative services organization – spanning Medicaid (including Aged/Blind/Disabled, Low-Income Adults, and HUSKY A), the Children’s Health Insurance Program (HUSKY B), and the Charter Oak Health Plan.

Community Health Network currently employs about 300 Connecticut-based staff and will bring partnerships with McKesson for intensive care management and health data analytics; and ValueOptions for intensive case management.

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