

State of Connecticut

GENERAL ASSEMBLY



PUBLIC HEALTH COMMITTEE
LEGISLATIVE OFFICE BUILDING, ROOM 3000
HARTFORD, CONNECTICUT 06106-1591

January 21, 2010

Commissioner Peter O'Meara
Department of Developmental Services
410 Capitol Ave.
Hartford, CT 06106

Dear Commissioner O'Meara:

We appreciate the information shared by your staff regarding DDS plans to implement an attendance-based reimbursement system as a means of addressing rescissions to day program services. However, we have serious concerns about the Department's plans in light of the rate study legislation passed in the September 2009 Special Session, Section 57 of PA 2051 - <http://www.cga.ct.gov/2009/ACT/PA/2009PA-00003-R00SB-02051SS3-PA.htm>. This legislation calls for a study of the many changes the Department proposed regarding the reimbursement methodology for providers, culminating in a report and recommendations by January 2011. Our understanding through discussions with you and your staff was that the current reimbursement system would remain in place while this Committee completed its work. This Committee is vitally important because it creates a mechanism for formal stakeholder input and legislative oversight of major policy changes. The Department's plans to implement attendance-based reimbursement beginning February 1, 2010 circumvents the Committee process, conflicts with the spirit of our discussions and contradicts the rate study legislation.

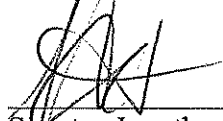
As you well know, the private provider community questioned the feasibility of implementing an attendance-based reimbursement system. In your letter dated June 16, 2009 you stated that you did not anticipate any cost savings to the Department by implementing a 90% attendance factor and in fact argued that 90% would be a reasonable and achievable attendance factor. However it now appears that the Department is anticipating that providers won't be able to meet that attendance goal and implementing this system would be a direct and severe cut to providers totaling \$2.5M.

The lack of adequate notice to providers about this major change in reimbursement is also troubling. It is our understanding that providers received formal notice on January 20, 2010 about major changes that will be implemented less than one month later on February 1, 2010. Providers are entitled at least 30 days notice of major reductions to their contracts, per contractual language.


The community provider system is already stretched thin with three consecutive years of no COLA and 20 years of inadequate increases. Providers made strong arguments against the use of a 90% attendance factor, including historical data that shows attendance for DDS consumers has averaged in the low 80% arena. The Governor's rescissions offer an opportunity for a good-faith, hard look at your agency's practices and procedures. This is not the time for short sighted decisions.

We would like your feedback on these issues and ask that you postpone implementation of attendance-based reimbursement until the rate study committee has completed its work.

Sincerely,



Senator Jonathan Harris,
Co-Chair, Public Health Committee



Representative Betsy Ritter
Co-Chair, Public Health Committee