

# OFFICE OF THE HEALTHCARE ADVOCATE

## 2008 Annual Report



***THE MISSION OF THE OFFICE OF THE HEALTHCARE ADVOCATE*** is to assist consumers with healthcare issues through the establishment of effective outreach programs and the development of communications related to consumer rights and responsibilities as members of managed care plans. The office focuses on assisting consumers to make informed decisions when selecting a health plan; assisting consumers to resolve problems with their health insurance plans; and identifying issues, trends and problems that may require executive, regulatory or legislative intervention.

# A Message from The Healthcare Advocate



*I am pleased to issue this 2008 Annual Report on the activity of the Office of the Healthcare Advocate. We have changed our annual report format to include three consumer stories.*

*The Office of the Healthcare Advocate was created by the General Assembly in 1999 as part of the larger Managed Care Accountability Act. Since that time, we have worked with thousands of policyholders, patients and families to explain their rights and responsibilities in a health plan, and to advocate for patients when they are denied treatment or reimbursement by their health insurance company*

*The office also focuses on assisting consumers to make informed decisions when selecting a health plan and on identifying issues, trends and problems that may require executive, regulatory or legislative intervention. It is my hope that the information provided in this report will inform the community on our activity, and empower Connecticut residents to become more informed consumers and effective self-advocates. Our seasonal newsletter launched in the autumn of 2007, and all issues are posted on our web site and circulated electronically. The newsletter gives timely information about consumer rights in health insurance, as well as updates on legislative, consumer and industry activities. Your feedback and suggestions are always welcome as we take on all of our new challenges.*

*If you have a specific question, or feel you have been unfairly denied care by your health insurance company, please contact us at by phone at (866) 466-4446 or by email at [healthcare.advocate@ct.gov](mailto:healthcare.advocate@ct.gov).*

A handwritten signature in black ink, appearing to read "K. Lembo".

Kevin Lembo  
Healthcare Advocate





**Managed Care** is a health care system involving the active coordination of, and the arrangement for, the provision of health services and coverage of health benefits. Managed care usually involves three important components: oversight of the medical care given, contractual relationships and organization of the providers giving care, and the covered benefits.

Managed care has rapidly dominated the health care financing and delivery system in the United States. In Connecticut, over 1.5 million health insurance consumers are enrolled in managed care plans. During the past several years, the commercially insured, employer-sponsored segment of the Connecticut population has been joined by Medicare and Medicaid managed care enrollees.

The Office of the Healthcare Advocate (OHA) was created in 1999 by the Connecticut State General Assembly by passage of Public Act 99-284 "An Act Concerning Managed Care Accountability".

The Office of the Healthcare Advocate helps Connecticut consumers who have health insurance provided by a managed

care organization (MCO). The office was created to promote and protect the interests of covered persons under MCO health plans in Connecticut. A major responsibility of the office involves educating consumers about their rights and how to advocate on their own behalf when they have a problem or concern about their managed care health plan. We can answer questions and assist consumers in understanding and exercising their right to appeal a denial of a benefit or service made by the managed care plan.

**HUSKY A** is the Medicaid-funded portion of HUSKY that provides health care coverage to low-income children, their parents and pregnant women. HUSKY members sign up with managed care organizations to obtain medical care. Dental, behavioral health and pharmacy services are "carved out" from managed care and provided by other entities.

**How many people are enrolled in HUSKY A?**  
222,770 children and 106,997 adults as of December 2008.

**Who qualifies for HUSKY A?**

- Children under 19 and their parents whose income limit is at or below 188% of the federal poverty level (FPL) (e.g., \$22,560 for a family of three)
- Pregnant women whose income is up to 205% FPL (e.g., \$4,400 for a family of three; pregnant women count as 2 heads of household)

**What Health Care Services are covered by HUSKY A?**

Children up to age 21 in HUSKY A are eligible for the comprehensive Medicaid Early and Periodic Screening, Diagnostic, and Treatment benefit package (EPSDT). The EPSDT program provides:

- Comprehensive health and developmental history
- Laboratory tests, including lead blood level assessment
- Regular vision, hearing and dental screenings
- Physical and mental health development assessments
- Health education
- Nutritional status assessments
- Comprehensive physical exam
- Appropriate immunizations

**Adults on HUSKY A have access to:**

- Many preventive services, including dental and mental health
- In-patient hospitalization
- Prescription drug coverage

**What does HUSKY A cost?**

For SFY 2007, the Department of Social Services estimates that HUSKY A will cost \$760 million out of the \$3.3 billion Medicaid budget. The average annual government per enrollee is \$2,127 (68¢) and \$2,412 (adult). The federal government pays 50% of these costs.

**HUSKY B** is a companion program to HUSKY A and provides health care coverage for uninsured children under age 19 in families with incomes over 183% of the federal poverty level (FPL). There is no income limit but some families pay monthly premiums depending on income. There are also some co-pays and caps on services.

Over 300% FPL (e.g., \$52,800 for a family of 3) there is no government subsidy; the family pays a state-negotiated premium of about \$200 per child per month.

**How many people are enrolled in HUSKY B?**  
14,518 children were enrolled in HUSKY B as of December 2008.

**What services are provided in HUSKY B?**

Children in HUSKY B are eligible for a full range of services, including:

- Inpatient care
- Prescription drugs
- Vision exams
- Hearing exams
- Preventive services, including dental and mental health, (without co-pays)

**What is the HUSKY Plus Program?**

The HUSKY Plus Program was designed for children with intensive physical health needs whose families income limit is under 300% FPL. It is administered by the Connecticut Children's Medical Center. HUSKY Plus services include:

- Adaptive and specialty equipment
- Pharmacy and special nutritional formulas
- Assistance accessing services
- Physical, occupational and speech therapy
- Specialty dental and orthodontic services
- Specialty care coordination
- Medical and surgical supplies
- Hearing aids
- Advocacy and family support

**What does HUSKY B cost?**

2007-2008 budget includes \$44.6 million for HUSKY B. The federal government pays 65% of these costs, and the state pays the remaining 35%.



## OHA STAFF

- Kevin Lembo, Healthcare Advocate
- Maureen Smith, Director of Consumer Relations
- Victoria Veltri, General Counsel
- Candice Kohn, Case Manager
- Darlene West, Case Manager
- Michael Mitchell, Health Program Analyst
- Vanessa Wimberly, Support Staff

### NOW YOU'LL BE HEARD

The Office of the Healthcare Advocate is dedicated to serving Connecticut's health insurance consumers by resolving conflicts with their insurance plans. We take a multifaceted approach: direct consumer advocacy with insurance companies, education, interagency coordination, and a voice in the legislative process. We are a free service of the state of Connecticut.

Vanessa Wimberly is OHA's sole support staff. She is the front-line of OHA. Hers is the voice you hear when you call our office's toll-free line and local number.

Vanessa operates a one-person triage team, separating pressing incoming cases from those that can be handled less urgently. Vanessa has worked for OHA from almost its first day in business. To read Vanessa's and other staff biographies, click here. Vanessa recently completed her 24<sup>th</sup> year of service to the people of Connecticut.



From Left, Victoria Veltri, Governor Rell, and Maureen Smith

**M**aureen Smith's hard work as OHA's Director of Consumer Relations was recognized with a Governor's Service Award on August 8, 2008 at the state capitol. Gov. M. Jodi Rell presented Ms. Smith with the honor, thanking her for her distinguished public service.





**M**ICHAEL is one of a pair of twin boys, born seven weeks premature. While his brother had a relatively easy time of it, Michael didn't. His life began with a complicated neonatal treatment course that required that he remain hospitalized for the first four months of his life. Since then, Michael has needed physical, occupational and speech therapy. His chronic respiratory issues necessitated oxygen therapy for a good part of his first two years. He was subject to bouts of pneumonia three to four times a year and he is unable to clear his lungs without mechanical assistance.

Michael's physicians felt it medically necessary for him to be given a serial vaccine that helps prevent infection by *respiratory syncytial virus* (RSV). This vaccine is a series of five to six timed injections that cost nearly \$2,000 each.

Infants with chronic lung disease or with compromised immune systems who contract RSV are at increased risk of contracting pneumonia requiring hospitalization. At the time of his physicians' recommendation that he be immunized, cases of RSV had been documented in Connecticut thereby placing Michael at increased risk of contracting RSV with the possibility of his developing severe pneumonia and perhaps even dying.

Michael's insurance company denied authorization for the treatment primarily because it is usually not given after the age of two years. At the time of the

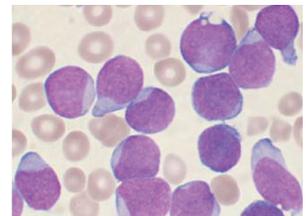
request Michael was a few of months older than two.

Michael's family requested OHA's assistance after their first-level appeal failed to overturn the denial of treatment. OHA's case managers gathered documents and testimony, and proceeded with a second-level appeal. Based on the testimony of the pulmonologist, who stated that Michael's lung development was judged to be far less than that of the average two year old, the second level appeal overturned the denial and Michael received his treatment.

**DP** was a high school student, when in 2005, he was diagnosed with acute lymphocytic leukemia. He was treated with chemotherapy, and was in remission. In 2008, he was diagnosed with myelodysplastic syndrome, a result of his chemotherapy, and a precursor to acute myelogenous leukemia. The treatment for myelodysplastic syndrome, is a bone marrow transplant from a non-related donor.

DP had been treated at Connecticut Children's Medical Center. Because of its relationship with Dana Farber Cancer Center and Boston Children's Hospital, and their unquestionable reputation in treating cancers of this sort, it was the best place for his continued care. The insurance company disagreed.

Dana Farber/Boston Children's Hospital was not in the insurer's hospital network. The insurer wanted him to go to another out of state, in-network, facility, which was farther away, had less experience in bone marrow transplantation, and no facility for the extended isolation care that DP would require after the procedure.



*Bone marrow with precursor B-cell acute lymphoblastic leukemia*

OHA coordinated the research, documentation and appeal process that allowed him to be treated at the most appropriate hospital. As of this writing, the marrow transplant was successful and DP is coming home soon.

### Respiratory Syncytial Virus

According to the US Centers for Disease Control and Prevention, RSV is the most common cause of bronchiolitis and pneumonia in children under one year of age in the United States. Most all children are infected with the virus by their second birthday, but only a small percentage develop severe disease. Premature infants, children less than two years of age with congenital heart or chronic lung disease and children with compromised immune systems are at highest risk for severe disease.

Source: <http://www.cdc.gov/RSV/about/faq.html>

## HEART TRANSPLANT

**MK** worked full-time as an IV Nurse when she noticed she was unusually tired after work. She thought it might be related to her heart because of past heart surgery. After seeing her physician, she learned she needed a heart transplant.

She felt comfort knowing that her cardiologist had an excellent relationship with an outstanding heart transplant specialist in Boston.

Unfortunately, the surgeon was not in her HMO's network. The HMO wanted her surgery to be performed in Philadelphia. This meant her traveling more than twice the distance from her home, and family relocating to Philadelphia until the surgery was scheduled.

OHA assisted her in preparing for an in-person appeal at her HMO. OHA submitted medical records and letters of support from federal and state legislators to the HMO for review. OHA accompanied her and her husband to the appeal hearing. Her cardiologist and cardiac surgeon offered testimony by phone. She spoke on her own behalf, as did her husband. State Senator Mary Ann Handley, who also attended the appeal, urged the HMO to do the right thing. OHA focused on the many physicians she sees near her home because of conditions related to her heart problem and emphasized her need to continue seeing them before



### MK AND HER FAMILY

and after the surgery. Later that day, the denial was overturned. She is now on the waiting list for a heart transplant in Boston and is confident the procedure will be scheduled shortly.

Total Complaints Closed 2002 thru 2008	
Year	Number of Complaints Closed
2008	2,143
2007	1,749
2006	1,865
2005	1,468
2004	731
2003	546
2002	643

## Consumer Complaints Fall Into a Few Major Issue Categories:

TOP TEN COMPLAINTS BY ISSUE 2006 thru 2008				
	2006	2007	2008	TOTAL
Consumer Denied Service or Treatment	295	302	324	921
Billing Problem	133	179	202	514
Consumer - Other	160	177	153	490
Consumer Enrollment or Eligibility	178	154	156	488
Consumer Education or Counseling	133	148	205	486
Denial of Claim by MCO	84	102	95	281
Benefit Design	102	78	97	277
Service Not Covered	76	66	59	201
Denial of Payment	49	64	54	167
Poor Customer Service	57	47	53	157

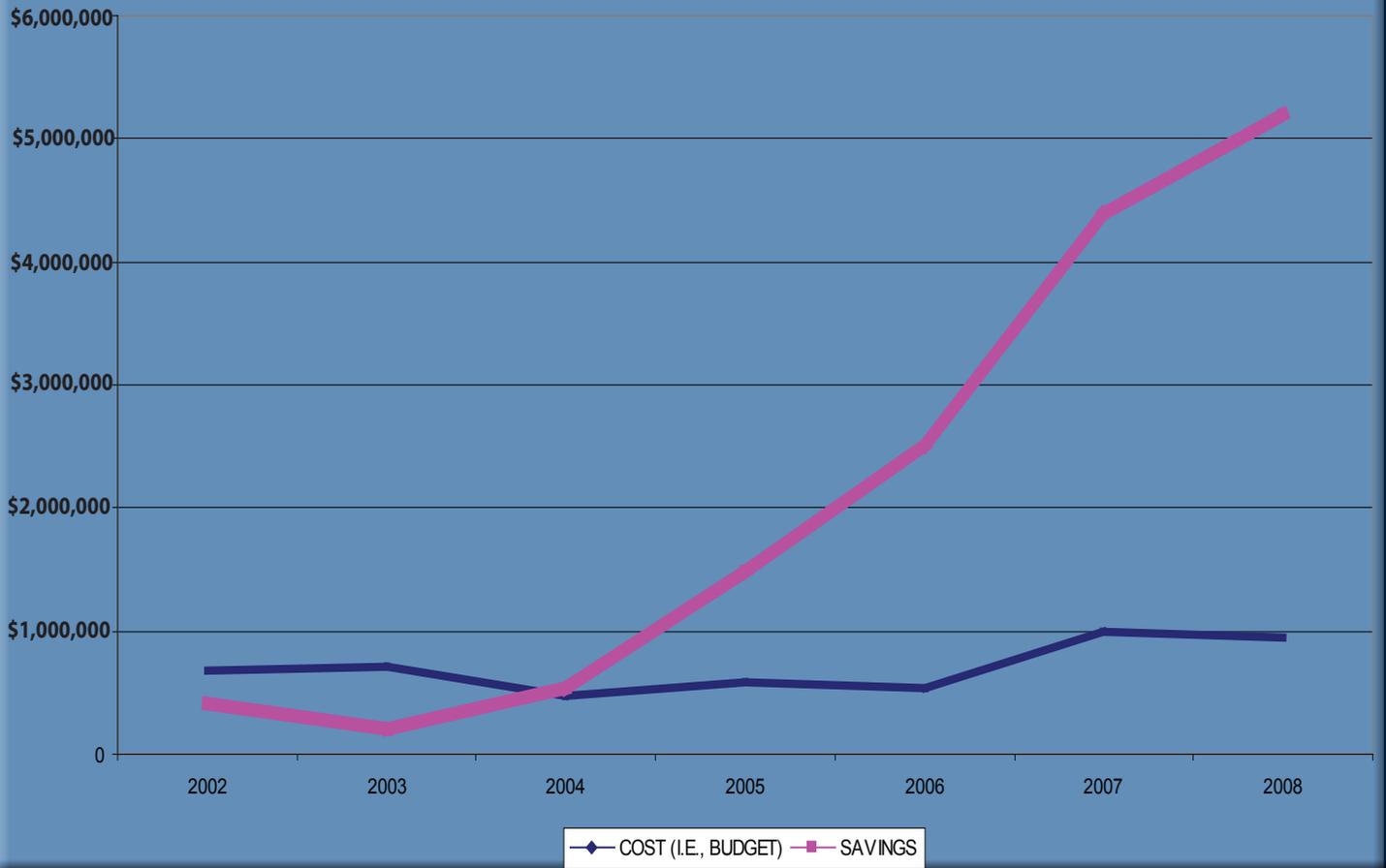
### MENTAL HEALTH PARITY

The Mental Health Parity Work Group includes mental health providers, insurance companies, consumers, advocates, business representatives and government agencies.

The Work Group provides a forum in which participants can question and streamline business processes, work out disputes and build better working relationships between patient/provider and insurance companies around the areas of emphasis outlined in Public Act 05-280.

OHA continued its work on improving our state's mental health parity law via Public Act 08-125 (see Legislative Summary, page 9) and the final passage of the Wellstone-Domenici Mental Health Parity Act. Federal mental health parity legislation that will go into effect on January 1, 2010. OHA staff worked with Senator Dodd's office, offices of other U.S. Senators, attorneys general and consumer advocates from many states to ensure final passage of the legislation.

## OHA Return on Investment



### OHA: A Good Investment

YEAR	Investment (i.e., budget)	SAVINGS	Return on Investment
2008	\$1,032,611.00	\$5,238,893.00	5.07
2007	\$993,119.00	\$4,391,353.00	4.42
2006	\$544,672.00	\$2,514,825.00	4.62
2005	\$581,414.00	\$1,487,895.00	2.56
2004	\$479,328.00	\$531,823.00	1.11
2003	\$709,271.00	\$205,665.00	0.29
2002	\$686,253.00	\$410,294.00	0.60
<b>Total</b>	<b>\$5,026,668.00</b>	<b>\$14,780,748.00</b>	

## LEGISLATIVE SUMMARY 2008

OHA proposed a major piece of legislation that passed unanimously in the 2008 legislative session and played a major role in the passage of two other pieces of legislation. Senator John McKinney, the minority leader, helped ensure passage of Public Act 08-125, An Act Concerning Benefits for Inpatient Treatment of Serious Mental or Nervous Conditions.

P.A. 08-125, a joint effort by OHA and the Office of the Attorney General, went into effect on January 1, 2009. It eliminates an arcane legal requirement prohibiting coverage for mental health residential services unless one is at an acute or crisis level of care and is in an acute hospital for three days prior to the residential treatment. The previous law restricted children and adults from receiving coverage for care tailored for their needs. As a result, many patients were repeat visitors in high-cost acute psychiatric hospitals because they never got the residential treatment they needed. Still others, not at an acute level of care, occupied much needed beds at acute care facilities because of the lack of coverage of residential care. Others were left floundering in their communities because they did not qualify for residential coverage. P.A. 08-125 corrects the inadequacies of the previous law and makes available critically needed mental health services that are geared toward returning patients to functional and fulfilling lives.

OHA also played a major role in the passage of Public Act 08-171, An Act Establishing a Commission on Health Equity and Public Act 08-132, An Act Requiring Insurance Coverage for Autism Spectrum Disorder Therapies.

P.A. 08-171 established a Commission on Health Equity housed in OHA for administrative purposes. The Commission's mission is to eliminate "disparities in health status based on race, ethnicity and linguistic ability, and to improve the quality of health for all of the state's residents." While the charge of the Commission is daunting and the Commission is in its early stages, it is on its way. OHA launched the

**OHA** testified in opposition to several bills, including, among others:

- One that ultimately died on the floor and would have unnecessarily narrowed the Freedom of Information Act, specifically for managed care organizations;
- Another that would have created a series of health plans that would have operated outside the consumer protections of the Connecticut insurance statutes.

**OHA** supported a number of other important bills with content ranging from:

- Changes to the reserve requirements for non-profit Preferred Provider Networks (PPNs);
- Changes to the HUSKY and Charter Oak programs that would have de-linked the provider networks for the programs to ensure access to care;
- Development of a Catastrophic Relief Fund for Children with Special Health Care Needs;
- A bill to prevent PPNs from representing that physicians are in their network unless there is some affirmative action by a provider to enroll.

Commission in the fall of 2007.

P.A. 08-132 requires insurers to cover therapies for autism spectrum disorders (ASDs) to the same extent they are covered for physical illnesses. While ASDs are mental health disorders, the therapies that people with ASDs need often fall outside traditional psychological treatment. Many times those treatments include speech, occupational or physical therapy. Prior to P.A. 08-132, most insurers did not cover therapies for people with ASD on par with the coverage for those same therapies the insurers provided to people with physical injuries.

OHA also testified at several informational forums on health care sponsored by various committees, including an informational forum in April on Pharmaceutical Marketing. OHA appeared in front of the following committees during the session: Insurance and Real Estate, Public Health, Government Administration and Elections, Human Services, Labor and Public Employees, Children's, and Appropriations. State Healthcare Advocate, Kevin Lembo, also testified before the House Oversight Committee in Washington, DC on the issue of post-claims underwriting.

The 2008 Connecticut Legislative Session was a success for OHA and health insurance consumers statewide.

Navigating the complexities of the managed care system may require additional legislation to simplify the process and to protect consumers from barriers preventing access to care. As of the date of this publication, OHA has proposed two pieces of cost-neutral legislation, to make the utilization review processes used by managed care companies fairer for enrollees and to modify our post-claims underwriting bill of 2007 to correct flaws we discovered in its application.

## Office of the Healthcare Advocate MCO39400

	Actual Expenditure FY 06	Actual Expenditure FY 07	Governor Recommended FY 08	Governor Recommended FY 09	Legislative FY 08	Legislative FY 09
<b>POSITION SUMMARY</b>						
Permanent Full-Time - IF	4	4	4	4	7	7
<b>BUDGET SUMMARY</b>						
Personal Services	246,289	337,616	346,965	366,722	516,965	541,822
Other Expenses	147,714	140,282	141,971	141,971	144,781	144,781
Equipment	0	941	1,333	1,333	8,533	1,333
<b>Other Current Expenses</b>						
Fringe Benefits	129,899	174,354	201,240	216,366	299,840	319,675
Indirect Overhead	19,727	0	23,000	25,000	23,000	25,000
<b>Agency Total - Insurance Fund</b>	<b>543,629</b>	<b>653,193</b>	<b>714,509</b>	<b>751,392</b>	<b>993,119</b>	<b>1,032,611</b>

	Leg FY 08		Leg FY 09		Diff. from Gov FY 08		Diff. from Gov FY 09	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>FY 07 Governor Estimated Expenditures - IF</b>	<b>4</b>	<b>690,535</b>	<b>4</b>	<b>690,535</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Inflation and Non-Program Changes</b>								
Personal Services	0	-40,228	0	-20,471	0	0	0	0
Other Expenses	0	2,939	0	5,941	0	0	0	0
Equipment	0	133	0	133	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>-37,156</b>	<b>0</b>	<b>-14,397</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Eliminate Inflationary Increases</b>								
-( <b>Governor</b> ) Funding for inflationary increases is eliminated.								
-( <b>Legislative</b> ) Same as Governor.								
Other Expenses	0	-2,939	0	-5,941	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>-2,939</b>	<b>0</b>	<b>-5,941</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Adjust Fringe Benefits and Indirect Overhead</b>								
Non-General Fund agencies are budgeted directly for the cost of employee fringe benefits and indirect costs.								
-( <b>Governor</b> ) Funding is recommended to ensure sufficient funds for fringe benefits and indirect costs.								
-( <b>Legislative</b> ) Same as Governor.								
Fringe Benefits	0	60,712	0	75,838	0	0	0	0
Indirect Overhead	0	3,357	0	5,357	0	0	0	0
<b>Total - Insurance Fund</b>	<b>0</b>	<b>64,069</b>	<b>0</b>	<b>81,195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

	Leg FY 08		Leg FY 09		Diff. from Gov FY 08		Diff. from Gov FY 09	
	Pos.	Amount	Pos.	Amount	Pos.	Amount	Pos.	Amount
<b>Fund Three Additional Positions</b>								
-(Legislative) Funding is provided for one full-time Senior Case Manager, one full-time Junior Case Manager, and one full-time clerical/technical support position to assist in handling its caseload. In FY 06, the Office of the Healthcare Advocate (OHA) opened 2,200 cases and projects a caseload of approximately 4,000 cases by the end of FY 07.								
Personal Services	3	170,000	3	175,100	3	170,000	3	175,100
Other Expenses	0	2,810	0	2,810	0	2,810	0	2,810
Equipment	0	7,200	0	0	0	7,200	0	0
Fringe Benefits	0	98,600	0	103,309	0	98,600	0	103,309
<b>Total - Insurance Fund</b>	<b>3</b>	<b>278,610</b>	<b>3</b>	<b>281,219</b>	<b>3</b>	<b>278,610</b>	<b>3</b>	<b>281,219</b>
<b>Budget Totals - IF</b>	<b>7</b>	<b>993,119</b>	<b>7</b>	<b>1,032,611</b>	<b>3</b>	<b>278,610</b>	<b>3</b>	<b>281,219</b>

**OTHER SIGNIFICANT 2007 LEGISLATION AFFECTING THE AGENCY'S BUDGET**

PA 07-185, Sec. 22, "AAC The Healthfirst Connecticut and Healthy Kids Indicatives," requires the Office of the Healthcare Advocate (OHA) to create and maintain a website for consumer healthcare information.

# **Office of the Healthcare Advocate**

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March 1, 2009