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To: Department of Public Health and Human Services
Health and Human Services Subcommittee of the Appropriations Committee
From: Mona Jamison, Lobbyist for Shodair Children's Hospital
Date: January 17, 2011
RE: Questions pertaining to the proposed Managed Care Pilot Project

Thank you for the opportunity to submit these questions pertaining to the proposed Managed Care Pilot Project. The managed care experiment DPHHS imposed on the mental health care delivery system in the 1990s was an unmitigated disaster. That experiment did irreparable harm to the mental health care delivery system and its vulnerable consumers and should never again be repeated. With that bitter lesson of recent history in mind, we ask DPHHS to provide detailed responses to the following questions:

1. How will DPHHS ensure that any contract it awards will not be awarded to a for-profit entity?
2. How will DPHHS ensure that any contract it awards will not be assigned to any entity other than the one to whom the contract is awarded through the competitive RFP process?
3. What evidence does DPHHS have showing that the present system is failing to provide timely authorizations for service to those who need services?
4. How will DPHHS guarantee that the system it proposes will not result in delay or withholding of treatment authorizations for consumers in need of services?
5. How will DPHHS ensure that providers are not subjected to unreasonable denials of claims, delays in processing payments, and requirements to exhaust complex appeals processes in order to receive payments?
6. What oversight infrastructure does DPHHS propose to put in place to guarantee that consumers and providers will be afforded timely and effective redress from unreasonable denial of treatment authorization and claims payment practices?
7. What evidence does DPHHS have showing that the present system of authorizing and paying for mental health services does not work and again needs to subject the system to a global managed care system? In light of the harm done to consumers and the mental health delivery system by the fiasco of the 1990s experiment, why not exempt mental health services from the proposed pilot project?
8. When child/adolescent patients are reviewed for "medical necessity," will the review be done by a fellowship trained, board certified child and adolescent psychiatrist?
9. Will the criteria for acute hospitalization and residential treatment be provided to providers before

the reviews so the reasons for acceptance or denial of a treatment plan are clear?

10. Will the physician reviewers who are almost always from large urban areas understand and make exceptions for a rural state such as Montana where we don't have an abundance of wrap around services, child psychiatrists, partial hospital programs, or availability of intensive outpatient programs? Will they be informed of the fact that the children needing services may require longer stays in acute hospitalization and residential treatment since Montana frequently does not have access to the above 'step down' options due to smaller populations in rural areas?
11. Would Medicaid be willing to consider paying room and board fees for Group Home Treatment since group homes are frequently what we do have for 'step down' options in Montana?
12. Will a clear outline for the appeal process be provided if the managed care company upholds a denial and the provider disagrees? Who will arbitrate these disagreements? And, if there is a significant increase in denials once Medicaid managed care is re-implemented, will this be evaluated by an agency with experts in the child psychiatry field who are informed about Montana resources?
13. Since the physician reviewer who is employed by the managed care company receives monetary reimbursement to "review the case, is it reasonable to expect that the provider also will receive reimbursement to review the patient care with the physician reviewer?
14. Will the contract with the managed care company have an escape clause allowing the state to immediately terminate the contract?
15. How will providers be reimbursed when the patient resides outside of the area covered by the pilot project?
16. Will the answers to these questions and those posed by other interested parties be answered by the Department and made available to the public?

Thank you for your attention these critical questions.