



**TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE
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Testimony Supporting House Bill No. 6659

**AN ACT CONCERNING THE STATE BUDGET FOR THE BIENNIUM ENDING JUNE 30,
2025, AND MAKING APPROPRIATIONS THEREFOR**

Good afternoon, Senator Osten, Representative Walker, Representative Hartley, Representative Exum, Representative Paris and members of the Appropriations Committee. I am Dr. Deidre Gifford, Executive Director of the Office of Health Strategy (OHS), and I am here to testify in support of the Governor's Biennial Budget for fiscal years 2024 and 2025. OHS' mission is to implement comprehensive data driven strategies that promote equitable access to high-quality healthcare, control costs and ensure better health outcomes for the people of Connecticut. Thank you for the opportunity to provide comments in support of House Bill 6659, *An Act Concerning the State Budget for the Biennium Ending June 30, 2025, and Making Appropriations Therefor*.

OHS consists of three teams that work collaboratively to meet this mission: the Health Systems Planning Unit which oversees the certificate of need regulatory process and health system reporting; Health Innovation which utilizes data-driven research to develop and implement health care policy reforms; and Health Information Technology which includes a data team, oversight of the health information exchange, and implementation of a statewide health information technology plan.

Currently OHS has forty-four authorized positions and thirty-nine that are filled. OHS was very fortunate to be able to bring on four new hires last month - a Paralegal Specialist for the legal department, a Fiscal Administrative Supervisor to replace a key vacancy in the business office, a Lead Planning Analyst to support the Health Information Technology unit, and a Planning Analyst for CON unit. The Governor is proposing 11 additional positions which would bring the authorized count to fifty-three positions.

During the last year, OHS' major accomplishments included the following:

- Development and submission of its first ever 5 Year Statewide Health IT plan;
- Implementation of its new healthcare benchmark initiative, including collection and validation of data for its first required reporting in March 2023;
- Implementation of new hospital reporting requirements for community benefits;
- Commissioning and finalizing the statutorily required telehealth study, which will examine the feasibility and impact of expanding access to telehealth services;

- Being awarded a technical assistance grant focusing on health equity, social determinants of health, and transforming community health;
- Hiring a contractor to conduct a behavioral health disparity study;
- Convening a physician practice workgroup to study oversight and regulation of mergers and acquisitions of physician groups and authoring a report of findings;
- Participating and providing expertise on a legislative Certificate of Need task force; supported connectivity to Connie, which currently has more than 700 users and received data for approximately 4 million unique patients;
- Hiring a contractor to perform a comprehensive 2024 state-wide healthcare facilities and services plan;
- Successfully collaborated with the Department of Social Services and insurance carriers to implement Covered CT, which provided an additional no cost coverage option for 15,754 enrollees who now have medical, transportation and dental benefits with expectations for 40,000 participants by the end of the biennium; and
- Contracting with 10 community-based organizations located throughout Connecticut to provide outreach, engagement and enrollment in Covered CT engaging with over 200,000 people.

In CY 2022, OHS issued 5 CON decisions, reached 18 agreed settlements, decided 69 CON determinations, held 7 public hearings and conducted 5 investigations which led to 3 civil penalty proceedings.

Proposed 2024-2025 Biennial Budget

Governor Lamont's proposed OHS budget totals \$18.7 million in FY 2024; \$4.4 million from the General Fund and \$14.3 million from the Insurance Fund. For FY 2025, the proposed amount is \$18.8 million; \$4.5 million from the General Fund and \$14.3 million from the Insurance Fund.

The following list details the major changes incorporated in the biennial budget compared to FY 2023:

- **Per Public Act 22-118, the transfer of funding that supports the reimbursements to insurers for the monthly premiums and the cost-sharing amounts on behalf of enrollees for Covered CT to the Department of Social Services.** A new Medicaid 1115 waiver enables the state to receive federal reimbursement for the state's costs of paying premiums and cost-sharing amounts, as well as dental and non-emergency medical transportation services, except for \$1 million which will be retained at OHS to support outreach, engagement and enrollment activities for Covered CT and the unwinding of the continuous Medicaid enrollment.
- **Funding for 5 new positions to support the Governor's health care affordability proposal capping out-of-network costs.** These positions will comprise a new unit headed by a project manager, including analytic, legal, and actuarial support. Activities will be comprised of calculating allowable costs, monitoring compliance, and performing audits when necessary.
- **Funding for 3 new positions to support the implementation of the recommendations in the 5-Year Statewide Health IT Plan, and support utilization and sustainability of**

Connie, the state health information exchange. This will include evaluating and executing on Connie's optimization to be a public health data exchange and seeking ways to use Connie's services to improve data availability and reporting to state-operated data systems, positioning the entity to deliver on its value proposition.

- **Funding for 2 new positions to enhance agency data analytic capacity, including two new positions and related funding.** These positions will allow OHS to expand its capabilities in research design, statistical analysis, database management, and health, social and economic trends research. This includes analysis of health care claims covered by commercial and public insurance plans in order to assist with utilizing more effectively the one billion (and growing) records in the CT All Payer Claims Database to support OHS policy activities.
- **Funding for 1 new position to support the Certificate of Need (CON) program in monitoring compliance.** This new paralegal specialist will institute a trackable system to ensure compliance of entities that come before OHS seeking a CON. The additional capacity and recent CON staff additions will support the Governor's proposal to strengthen CON enforcement and compliance related conditions of approval like cost controls, patient access and detailed reporting.
- **\$600,000 to support a consultant to analyze pharmacy benefit manager drug practices.** This report will give OHS valuable insight into the pharmaceutical supply chain to develop effective strategies to reduce consumer costs.

Other technical changes include annualizing employee wage agreements , removing funding from FY 2023's 27th payroll , and providing funding to support contractual costs for Connie, the state's health information exchange. Two positions are also reallocated to DAS to support IT optimization, but this change does not result in a budgetary impact.

Thank you for providing OHS with the opportunity to delivery this testimony. OHS respectfully requests support of the Governor's proposed budget, which will enhance our ability to further benchmarking initiatives, augment analytic capabilities, and promote efforts to facilitate affordability.