Commission on Enhancing Agency Outcomes Room 2200 Legislative Office Building Hartford, CT 06106

August 17, 2010

The Honorable Michael Starkowski Commissioner Department of Social Services 25 Sigourney St. Hartford, CT 06106

Dear Commissioner Starkowski:

As you may be aware, the Commission on Enhancing Agency Outcomes per Public Act 09-7 Sept. Sp. Sess. has identified many proposals for further review to fulfill its goal of reducing state costs and enhancing the quality and accessibility of state services.

Two of the commission proposals involve actions by your agency: 1) a multi-state bulk purchasing cooperative for Medicaid pharmaceuticals; and 2) fully implementing drug recycling for Medicaid clients in nursing homes and other institutional settings. The commission is interested in the status of each of these.

Public Act 09-206, which became effective July 1, 2009, required DSS to submit a plan to the legislature by December 31, 2009, on the pharmaceutical purchasing initiative. The plan was to include: a timetable for implementation, anticipated cost savings, and recommendations for legislative changes necessary to carry out the plan. In December 2009, you (and then-DAS-Commissioner Sisco) submitted a letter to the governor indicating the plan would be issued in April 2010. However, to date no plan has been issued and staff to the commission has been informed by your agency that the plan will probably not be ready until September.

It is now over a year since the legislation mandating the plan was passed, and more than seven months have passed since the deadline for submittal of the plan required in the legislation. The commission is concerned the opportunities to save the state, and its citizens, considerable amounts of money are being delayed or missed altogether because of agency lack of action. Would you please advise us if the plan will be submitted to the legislature by September 1, 2010?

Another area under DSS purview is the full implementation of drug recycling for Medicaid clients in residential settings. DSS staff attributes part of the sharp decline in quarterly savings from the drug recycling program to the increase in participants in Medicare Part D, not currently part of the drug recycling program. However, DSS further reported in June that guidance from CMS indicated that it would be allowable to include Medicare Part D participants in Connecticut's drug recycling program. It was further reported that DSS intended to meet with stakeholders to determine next steps for this program expansion, but has not done so yet. Finally, DSS reported receipt of a proposal by HP (formerly EDS) to expand the drug recycling program to other populations.

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Please provide a status report on the drug recycling program (e.g., when the next steps will occur, when the drugs for Medicare Part D participants will be included, proposed dates for broader program expansion, and anticipated cost savings.)

Thank you in advance for your cooperation.

Regards,

Senator Gayle Slossberg Co-Chair, Government Administration and Elections Committee Co-Chair, Commission on Enhancing Agency Outcomes

cc: Members, Commission on Enhancing Agency Outcomes

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Representative James Spallone Co-Chair, Government Administration and Elections Committee Co-Chair, Commission on Enhancing Agency Outcomes