

State of Connecticut



John G. Rowland, Governor

Office of Health Care Access

Raymond J. Gorman, Commissioner

1999 Annual Report to the Governor and the Connecticut General Assembly

February 2000

The mission of the Office of Health Care Access is to ensure that citizens of Connecticut have access to a quality health care delivery system. The Agency fulfills this mission by advising Executive and Legislative Branch policy makers on health care issues; informing the public and industry of state-wide and national trends; and designing and directing health care system development.

Several statutes empower OHCA to gather and analyze a wide spectrum of health care data. OHCA also establishes net revenue limits for the state's acute care general hospitals, administers the Uncompensated Care Program, and monitors health care costs. Through its oversight of the financial well-being of the health care delivery system, the Agency identifies areas of potential need and proposes solutions.

Neither a provider nor purchaser of health care, OHCA assesses health care issues related to access, cost and delivery, and assists policy makers and the industry in crafting a superior health care system for all residents. Thus OHCA is an integral voice in State health care policy deliberations.

Through administration of the Certificate of Need (CON) program for hospitals and health care

facilities, and for imaging equipment and linear accelerators costing over \$400,000, OHCA limits excess capacity in the health care system and controls concomitant costs while encouraging system development and collaboration. An important aspect of the CON process is the provision for public comment, offering Connecticut residents a voice in directing the development of the state's health care delivery system.

The State continues to be the largest purchaser of health care in Connecticut. OHCA's functions provide the State with the ability to monitor the health care delivery system, identify areas of potential need, better coordinate State policy and actions, formulate solutions for meeting identified needs, and fully leverage the State's significant buying power in a coordinated manner to control cost and increase quality.

The Office of Health Care Access continually refines its organizational structure to enhance the agency's ability to meet its goals. In 1999, OHCA staff and management launched a number of key initiatives that support the Agency's mission and proactive approach. The following describes the current OHCA structure and primary Unit functions.

Introduction

Because the cost of providing employee health insurance continues to be a significant business expense in Connecticut, the efficient and thoughtful evolution of the health care delivery system is a priority for Connecticut's economy. **The Health System Development Unit** performs several functions essential to the development of a coordinated, cost-effective, accessible health care delivery system.

By administering Connecticut's Certificate of Need (CON) law, the Unit assures both avoidance of unnecessary duplication of services and their sustained availability. The CON process also provides opportunity for consumer, provider and payer participation in the regulatory process.

The Unit actively conducts topical studies intended to assist in the development of specific areas of the health care system. Using this additional expertise, combined with CON regulatory authority, the Health System Development Unit encourages collaborative efforts in the development of a responsive health care system.

Finally, the Health System Development Unit gathers, verifies, analyzes and reports on a wide range of hospital financial data for use by health care policy decision-makers. Information includes: hospital expenses and revenues; Uncompensated Care volumes; Disproportionate Share and Emergency Assistance to Families data and other financial data as needed.

The Research and Evaluation Unit gathers, uses, and disseminates information to support quality decision-making and policy development. The Unit specializes in the analysis, interpretation, and communication of health care information to legislators, health care policy makers, the health care industry and the general public, using information from OHCA's own databases, secondary data and published sources.

In keeping with its role, this Unit also identifies opportunities for

data integration and standardization, monitors and evaluates health care utilization, outcomes and costs, and works with other Units to report the effects of changes within the health care delivery system. Finally, it provides information from its Hospital Discharge Database to other OHCA Units for Certificate of Need project analyses and for public information requests.

The Public and Government Relations Unit increases awareness of OHCA's issues, activities and positions by communicating with private citizens, the Executive and Legislative Branches, industry representatives and other policy makers in Connecticut.

Through the news media, the Public and Government Relations Unit informs and educates consumers and the general public about significant developments in the health care system and promotes Agency initiatives.

The Unit is also the Agency's liaison with the Legislature and works with other Units to develop legislative and regulatory initiatives. It informs OHCA staff and management on legislative issues and systematically provides reports and information to members of the General Assembly to help support and inform their policy-making activities.

The Unit's Consumer Information Service (CIS) provides referrals, information and education to health care consumers experiencing problems with access or paying their medical bills. The CIS assists persons in applying for hospital free care funds. Where appropriate, it negotiates between consumers and hospitals on billing disputes and examines inconsistencies on consumers' billing statements. The CIS may be accessed via OHCA's main number; it also operates a toll-free line and a number for persons with hearing impairment.

Planning Tomorrow's Health Care System Today

The Office of Health Care Access has evolved from its traditional role as monitor to that of catalyst for effective change. By analyzing health care delivery system data, OHCA is identifying areas needing better coordination or a different configuration of resources and services, and is articulating effective strategies.

OHCA's oversight of the Connecticut health care delivery system serves the Legislative and Executive Branches by providing periodic assessments and analyses of evolving health care trends, and by offering impartial, quality information for the purpose of informing State health care policy makers.

To monitor and ensure the cost effectiveness of Connecticut's health care system, OHCA:

- takes a comprehensive view of consumers' health care concerns and needs;
- initiates collaborations among industry providers, associations and other entities to promote a strong and responsive health care delivery system;
- strengthens and encourages liaisons with other State agencies to promote data sharing and integration and streamlining of business practices;
- refines its own practices and procedures to simplify and make them more responsive to current health care needs;
- continually assesses the health care information needs of the public, the Legislature, other agencies, the health care industry and the insurance sector.

OHCA reconfigured its internal structure in 1999 and continues to redeploy staff and financial resources in a manner that enhances agency effectiveness.

The Agency also moved forward in 1999 with strategies designed to streamline operations and expand its capacity for data analysis and policy formulation. Thus, OHCA capably adapts to the challenges present in today's health care delivery system. As a result, the Agency is able to respond to informational requests in a timely fashion.

Consumers seek information about the managed care system and its concomitant effects on providers and payers. Many uninsured and underinsured persons continue to experience difficulty in paying for health care services, and report ongoing issues related to access.

While OHCA continues to address individuals' concerns, in 1999 the Agency made significant improvements to its Consumer Information Service by developing and offering a variety of informational outreach initiatives.

Providers continue to seek quality data, analyses, and policy guidance from OHCA as they move to restructure and establish collaborative affiliations. In 1999, OHCA improved its information systems and accelerated efforts to engage providers in a variety of forums designed to elicit input and to help forge consensus and collaboration among providers, payers, and health care institutions.

Legislators, regularly confronted with issues related to health care access and quality, turn to OHCA for accurate and timely data analysis for policy formulation. In addition to the reports prepared annually for the Governor and the General Assembly, in 1999, OHCA prepared and distributed to Legislators and policy makers numerous ad hoc analyses and reports.

State Agencies, as both providers and purchasers of health care, need accurate and timely data for sound programmatic decision making. In 1999, OHCA continued to offer informed guidance during key policy discussions and provided data and leadership to agencies seeking to improve their health care delivery systems.

1999 Objectives and Achievements

In 1999, OHCA maintained and strengthened its role as a proactive and responsive leader in health care policy formulation for the State. Moreover, OHCA's monitoring and oversight of the state's health care delivery system, its responses to consumer needs and concerns, and its extensive communication with legislators, policy makers and industry leaders continue to significantly and positively affect the quality of Connecticut's health care delivery system.

The Office of Health Care Access established and achieved five primary objectives to guide its efforts in 1999. The following are OHCA's key accomplishments for the year.

1999 Objective 1 Promote a strong and responsive health care delivery system through collaboration with the health care industry.

The health care environment in Connecticut continues to be in a state of accelerating change. In 1999, OHCA moved to develop policies for dealing proactively with the ongoing elements of competition, collaboration and attrition within the industry.

The Agency remained diligent in reviewing proposed collaborations, affiliations and terminations of services. These efforts were undertaken in order to guarantee that Connecticut's citizens continue to receive quality health care services, and to encourage health care providers to be more forward thinking in their plans and more open with the communities they serve.

Throughout the year, OHCA enlisted the help of health care industry representatives in designing processes to improve Agency functions and operations. Industry and legislative input was key in helping OHCA streamline and simplify its regulations and reporting functions.

OHCA successfully convened and facilitated a number of industry working groups to solicit valuable information and industry perspectives. In 1999, OHCA engaged industry representatives and state policy makers in groups designed to gather information and share views on:

- outpatient surgical procedures;
- graduate medical education;
- nurse staffing levels;
- State health insurance purchasing;
- cardiovascular service needs; and
- new developments in imaging equipment.

Working group outcomes include information being used in the development of legislative reports, recommendations and new policies. Several new publications based on work group findings are planned for release in early 2000.

New working groups convened at the close of 1999 include an OHCA Advisory Group to provide input and guidance to the

Agency, and a Steering Committee for OHCA's Hospital Study initiative — a legislatively mandated, comprehensive review of the status of Connecticut's health care delivery system.

A working group convened in late November 1999 was charged with examining the financial situation at John Dempsey Hospital. In October, the University of Connecticut Health Center announced that it would reduce its work force in response to an estimated deficit of 21 million dollars. In response, the Office of Health Care Access initiated an inquiry into the impact such proposed reductions would have on direct care services.

Consistent with its mission to inform and advise Legislators and other policy makers, OHCA established a working group comprised of Public Health Committee leadership, area hospitals, and the State Office of Policy & Management. OHCA's commitment to the Legislature was that within 60 days, it would attempt to familiarize itself with the relevant issues facing the University of Connecticut Health Center. Additionally, the Office of Health Care Access would begin a dialogue with area providers to determine issues and resolutions that in the longer term could lead to a more integrated health care delivery system.

The “Hartford Area Health Care Services Discussion Group” was convened and met weekly throughout November and December 1999.

Concurrent with the work of the Discussion Group, the Office of Health Care Access conducted its own research and inquiry into academic health centers in general, and the University of Connecticut Health Center. Findings are being prepared for a report to be submitted to the members of the Public Health Committee and the Executive Branch by January 24, 2000.

Also in 1999, the Agency completed the reengineering of its Certificate of Need (CON) process, resulting in simplified forms, policies and procedures which reduce cost, paperwork and timeframes for applicants and the Agency, while also providing better information with which OHCA can formulate its CON decisions and identify unmet system needs.

The Agency initiated a new CON compliance function under the direction of a full-time senior staff member. This effort is helping to assure high quality, cost-effective access to health care for Connecticut citizens. Savings to the health care delivery system of about \$9,671,000 in annual operating costs and \$5,100,00 in avoided capital costs were achieved through the CON process.

The Certificate of Need process continues to provide health care consumers with opportunities to provide input on the development of area health care delivery systems through the public hearing process.

While significantly streamlined, the new CON process has become a valuable, stabilizing force that permits the State to oversee the evolution of health care delivery in an orderly fashion and provides Connecticut residents with input into how their health care is delivered.

After public hearings in Hartford and Stamford and a comprehensive review of written evidence, OHCA issued a Declaratory Ruling on Freestanding Outpatient Surgical Facilities in November. The ruling announced that OHCA will employ a combination of tests using aggregate factors as a threshold, and a “Procedure Test” to further refine the scope of CON jurisdiction in this area. Facilities meeting the combination test will be considered, *prima facie*, as “free standing outpatient surgical facilities.”

This test of “free standing outpatient surgical facilities” will not be employed by the Office until and after regulations are adopted specifying the procedures to be included as part of the test. The process to adopt such regulations will begin in March of 2000.

This year the Agency also entered into an agreement with the Department of Public Health whereby OHCA provides administrative support in establishing rates for Connecticut fee-based ambulance service providers. Under the agreement, OHCA also provides assistance in processing annual rate-setting requests from ambulance providers who are currently licensed or certified and for those who are seeking licensure or certification in the State.

Other ways in which the Agency supports fiscally responsible access to quality care include the monitoring of hospital financial and encounter data, the Hospital Disproportionate Share and Emergency Assistance to Families Programs, hospital net revenue limits, discount agreements and preferred provider networks, and the performance of relevant health care system analyses.

The Disproportionate Share Payments portion of the Medical Assistance and Emergency Assistance to Families Programs protects access to hospital care for uninsured and underinsured persons by providing financial assistance to not-for-profit hospitals which provide a disproportionate share of such care.

The programs’ Medical Assistance Disproportionate Share Funding to hospitals resulted in

more than \$107 million in federal matching funds to the State in 1999. In addition, OHCA staff and leadership participated in a significant redesign of the taxation plan that funds this program, providing increased financial stability to Connecticut acute care hospitals.

**1999 Objective 2
Address growing consumer concerns and needs related to health care.**

Access to health care services remains a key consumer concern. OHCA's analysis of health accessibility is not confined solely to the physical availability of care, but includes demographic, financial, language and transportation factors.

OHCA's Consumer Information Service (CIS) coordinates health care information for consumers, including persons requiring assistance from more than one State agency and/or those with hospital billing problems. Bilingual assistance is provided through an instate toll-free Consumer

Helpline. Persons are also able to reach the CIS via OHCA's main number and a TDD number is available to persons with hearing impairment.

The CIS uses a wide range of Agency data resources to assist consumers with hospital billing problems and offer Connecticut residents information on the availability of public and private health care insurance coverage, services, programs and trends.

In 1999, the CIS researched and responded to more than 800 inquiries from consumers on health care-related billing and access issues. The Service assisted consumers with information about types of financial assistance, helped with applications for free care funds, negotiated charge reductions and identified billing errors and inconsistencies. A summary of types of inquiries is shown in Figure 1. In 1999, consumer use of the Internet for researching health issues has led to a significant increase in online requests for assistance.

In 1999 OHCA revamped its Preferred Provider Network regis-

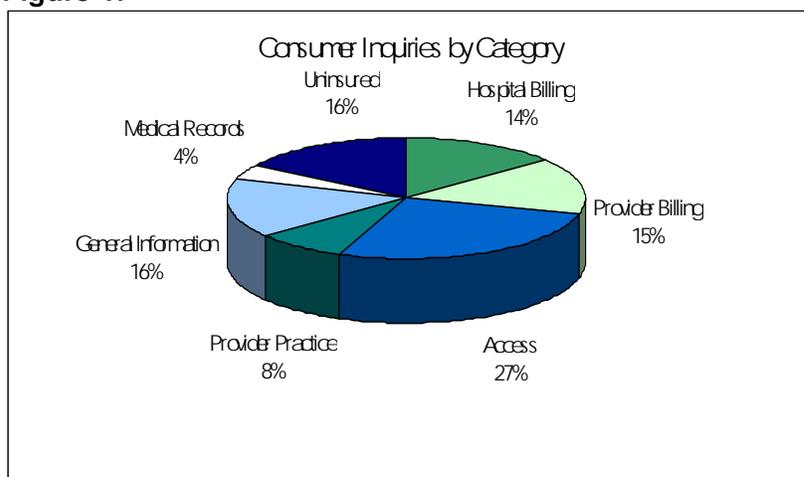
try. In addition, a comprehensive directory of all Preferred Provider Networks (PPNs) that have registered with OHCA is being produced for distribution in early 2000. Based upon a growing number of consumer and provider concerns reported to the Consumer Information Service, OHCA intends to provide even more information about PPNs. OHCA's newly-enhanced data gathering capacity will assist the CIS in developing materials that respond to common questions and concerns.

In 1999, OHCA created a computer-assisted slide presentation and accompanying booklet entitled "A Resource Guide for the Savvy Health Care Consumer". This presentation was offered free of charge to all Connecticut organizations and professional groups. CIS staff organized the Agency's appearance at the Eastern States Exposition and other local and regional events in 1999, providing brochures and informational items to more than 3,500 individuals.

**1999 Objective 3
Conduct the State's first comprehensive review of state-wide health care purchasing, including organizational practices and value received by the State for health care expenditures.**

Many of Connecticut's State agencies provide and purchase health care services somewhat independently and with a lack of uniformity. The absence of a centralized mechanism for collecting and analyzing State agency health care expenditures and outcomes

Figure 1:



is a major impediment to effective health care purchasing and decision-making.

In 1999, OHCA, in concert with the Office of Policy and Management, launched **ACHIEVE: A Connecticut Healthcare Initiative for Expansion, Value and Efficiency**. This multi-agency collaboration is designed to measure the success of efforts to expand health care access to uninsured children, to determine if the state has maximized the value of the health care it purchases, and to promote more efficient health care purchasing.

In February 1999, OHCA was awarded a \$663,924 grant from the Robert Wood Johnson Foundation (RWJF) of Princeton, New Jersey. This three-year grant under the RWJF's *State Initiatives in Health Care Reform* program funds the ACHIEVE program. Project activities include an evaluation of the State's HUSKY (Healthcare for Uninsured Kids and Youth) outreach and expansion program for uninsured children.

This project includes work groups to focus on insurance expansion, purchasing strategies and data integration that will permit the State to:

- determine if it has maximized the value of the health care that it purchases;
- promote more effective health care purchasing strategies to improve quality of care;
- promote more efficient health care purchasing through data generated, value-based purchasing strategies; and

- measure the success of present efforts to expand access to uninsured children through analyzing the HUSKY program's outreach and enrollment strategies.

ACHIEVE will enable the State to use data to improve its ability to hold managed care plans accountable for quality and access, and to coordinate agency purchasing and contracting for health care.

1999 Objective 4 Assess the health care information needs of constituent groups on an ongoing basis and adjust to meet those needs.

In 1999, OHCA continued to assess and respond to the information needs of the Legislature, constituents and other State agencies. OHCA staff were active on legislative and interagency committees, worked cooperatively with other State agencies to develop and implement programs, and provided data from the OHCA discharge database and the Family Health Care Access Survey.

OHCA contracted with John Goodman & Associates, Inc. to provide a cardiovascular needs assessment study. Released in SEPTEMBER 1999, the *Cardiovascular Demand Needs Analysis* report includes information to assist the Agency in quantifying the concept of "need" as it relates to cardiovascular services and facilities in Connecticut. The study includes an analysis of how Connecticut compares to the nation and New England in

delivering cardiovascular care. This analysis and information will be used to determine if changes to the State's current system are warranted and how those needs may be prioritized and addressed.

The issue of the uninsured and underinsured populations in Connecticut continues to be a key concern for legislators and policy makers. In November of 1999, OHCA issued *The Uninsured in Connecticut: A Supplemental Analysis*. This report, OHCA's second on the uninsured, utilized new methodologies to evaluate the extent of Connecticut's uninsured population, and identified groups most affected. It was presented to state legislators and health care policy makers as a planning resource.

Public Act 99-172 gave OHCA the responsibility to develop an annual study on Graduate Medical Education (GME) and its impact on hospitals in Connecticut. Specific areas addressed in the first report include the financial impact of GME, its effect on the sufficiency of the health care provider workforce, and its effect on access to health services. OHCA distributed the report, *An Analysis of Graduate Medical Education in Connecticut*, to Legislators and policy makers in December 1999.

OHCA's hospital inpatient database was utilized extensively by legislators, other state agencies and groups through the Freedom of Information process in 1999. Requestors included:

- the Legislature's multi-disciplinary committee;
- the Legislature's Public Health Committee;

- the Community Medicine & Health Care Section of the University of Connecticut Health Center School of Medicine;
- the Connecticut Diabetes Control Program of the Department of Public Health;
- the Department of Mental Health and Addiction Services;
- the Mental Health Association of Connecticut, Inc.;
- the Town of Newington Health Department;
- the New Haven Health project of Yale University;
- the Children's Health Council of Hartford;
- the Westerly (RI) Hospital;
- numerous private health care related or research organizations, interested individuals, students, labor unions and media.

The Agency completed the transformation of its information gathering system for hospital financial data. In 1999, OHCA became the first State agency to pilot and implement a computer information system that allows hospitals and other filing agencies to report required data into a live database over the Internet. The Hospital Budget System upgrade and reporting reductions have significantly streamlined hospitals' reporting requirements, enabling better data to be provided to OHCA in a quicker, more cost-effective manner.

**1999 Objective 5
Monitor, and revise as needed, the Agency's statutory and regulatory mandates, internal processes and infrastructure, to support OHCA**

initiatives and to continually respond to changing health care needs in Connecticut.

A major revision of OHCA's Administrative Regulations, including a significantly streamlined Certificate of Need process, was approved by the Legislation Regulation Review Committee and effective February 23, 1999.

A Hospital Loan Program to implement Section 40 of Public Act 99-2 of the June Special Session, was presented to Legislative and industry leaders at a September symposium and published as policy and proposed regulations November 2, 1999. The formal adoption process is proceeding.

During the 1999 General Assembly session, OHCA worked with Legislators and industry representatives to pass legislation which modifies earlier language in Public Act 98-150, a law that significantly streamlines the Certificate of Need process.

OHCA also sought and gained passage of statutory language permitting it to consolidate and reduce annual reporting forms. This change eliminated data considered no longer relevant and significantly expanded areas where hospitals may submit data electronically, thus reducing the paper-filing burden on hospitals as well as OHCA.

OHCA continued to refine its internal processes and staffing in 1999, as staff and management identified additional employee skills and matched them with critical Agency initiatives to support its mission and proactive philosophy.

Staff reassignments and cross-unit initiatives have strengthened the Agency's capacity to respond to information and policy needs in a more efficient and effective manner. OHCA's evolution requires increased reliance upon technology and the gathering and generating of reliable health care data that is relevant to a broad spectrum of users.

OHCA is moving towards the creation of a data clearinghouse and repository. In support of this direction, OHCA continually upgrades and improves its technical infrastructure.

The Agency implemented its technical infrastructure upgrade by replacing all Agency personal computers to a Pentium, Windows 95/NT standard using Office 97, and upgrading its three primary servers.

OHCA also consolidated and converted internal applications to an MS Access standard, while making each application Year 2000 compliant. OHCA was very successful throughout the year in achieving and maintaining full Y2K compliance status.

Conclusion of 1999 Agency Objectives and Achievements: Each of these objectives implements, in a practical and cost effective manner, OHCA's mandate under Section 19a-634 of the Connecticut General Statutes, to improve efficiency, lower health care costs, coordinate the use of facilities and services, and expand the availability of health care throughout the State.

As the Office of Health Care Access enters a new year, its mission and concomitant objectives are clear. In recent years, the Office has been successful in defining itself as a primary source of quality information designed to help policy makers in determining and guiding the evolution of Connecticut's health care delivery system. In so doing, OHCA has set the stage for a more active role in leading, shaping and informing effective health systems policy for the state.

As stated earlier in this report, the mission of the Office of Health Care Access is to ensure that Connecticut's citizens have access to a quality health care delivery system. OHCA fulfills this mission by advising Executive and Legislative Branch policy makers on health care issues; informing the public and industry of statewide and national trends; and designing and directing health care system development.

OHCA's three primary functions – advising policy makers, informing the public and industry, and directing system development – are critical aspects of ensuring a strong and quality health system in Connecticut. Evolving financial constraints such as reductions in Medicaid and Medicare dollars and more stringent managed care policies, are exacting pressures on health care systems, facilities, and providers. Simultaneously, responsible State fiscal practices and policies seriously reduce the probability of sustained governmental relief for ailing health care systems.

Agency Objectives and Initiatives for 2000

Heightened concern about the financial well-being of health care systems brings with it issues of negative market forces and competition. Connecticut's health care facilities are already facing financial hardship; a few are now experiencing serious financial difficulties. As pressures mount, these latter facilities are most at risk. Systematic and impartial oversight of these systems is required to assist in transition planning, and to help prevent unnecessary loss of services that would unduly hinder access to care.

Without thoughtful, well-informed planning and decision-making, Connecticut's health care delivery systems are at risk of decline. Today's conditions demonstrate the need for fiscal accountability and sound, data-driven decision making in crafting health care policy and systems development.

It is with these factors in mind, and cognizant of the challenges before us, that OHCA presents its objectives and initiatives for 2000.

Objective 1: Advise Executive and Legislative Branch policy makers on health care issues.

As the health care environment in Connecticut and nationwide continues to experience significant and dynamic change, OHCA

is assuming increasing responsibility to actively identify and report on key policy issues and to respond to Legislative and Executive branch requests for research and analysis. The Agency's key initiatives in this area for 2000 are as follows:

Convene the OHCA Advisory Council: In order to provide OHCA leadership with ongoing, informed guidance as it advances its mission and objectives, the Agency established a professional advisory group in late 1999. The group, comprised of high level professionals and executives from the health care and insurance industries, will meet for the first time in January 2000 and quarterly thereafter.

Analyze and Report on Hospitals and Health Systems: Changes in medical technology and revenue streams, and the growth of outpatient medical treatment are prompting fundamental changes within the health care system as a whole and in hospitals in particular. Policy makers express their ongoing need to be more informed about these trends and their likely effect on hospitals in the state. At the conclusion of the 1999 General Assembly Session, OHCA was given the responsibility and the opportunity to conduct a systematic and comprehensive study of hospitals in Connecticut. To date, the Agency has identified and con-

vened a work group comprised of industry representatives to assist with this effort. The study is intended to inform public policy makers, members of the hospital industry, and health care consumers about the various forces that are influencing hospitals today, and what can be done to strengthen Connecticut's health care delivery system.

Conduct Analysis of Hartford Area Health Systems: In October 1999, the University of Connecticut Health Center announced it would soon undertake reductions in its workforce in response to a projected \$14 million shortfall in the fiscal year and projected a \$16 to \$21 million shortfall for the coming fiscal year as well. Following public hearings conducted by the Public Health Committee of the General Assembly in November 1999, OHCA pledged to:

- become more knowledgeable about issues specific to the University of Connecticut Health Center; and
- determine how this situation might be used to create a more integrated, less duplicative health care delivery system in the Capital Region and the greater Hartford metropolitan area.

OHCA Commissioner Raymond J. Gorman assembled the "Hartford Area Health Care Services Discussion Group" in cooperation with area hospitals. The group met on a weekly basis for periods of 3 to 4 hours throughout November and December.

During this time, OHCA also conducted an independent review of

matters affecting academic health centers. The Agency also evaluated management and Certificate of Need-related matters of the University of Connecticut Health Center. By January 24, 2000 OHCA will produce and distribute its report which summarizes the findings of the group as well as OHCA's independent research into matters of pertinence affecting the Health Center. The report will also offer recommendations for consideration by the General Assembly regarding the future of the Health Center, John Dempsey Hospital and the University of Connecticut School of Medicine.

Streamline the Disproportionate Share Program: In 1999, OHCA expressed its intention to propose legislative changes that would streamline and simplify the Disproportionate Share (DSH) program by beginning to use actual data in place of formulaic calculations in several places. This legislative initiative, which is being proposed in collaboration with the Office of Policy and Management, will be supported by OHCA during the 2000 General Assembly Session. OHCA is further reducing confusion in the DSH program by eliminating the "4th quarter" adjustment, which became unneeded when the use of actual historical data began.

Accelerate ACHIEVE Project: In 1999, OHCA, in concert with the Office of Policy and Management, launched ACHIEVE: A Connecticut Healthcare Initiative for Expansion, Value and Efficiency. Throughout 1999, OHCA project staff continued with its

comprehensive review of state-wide health care purchasing practices and insurance expansion. The Agency established an Executive Steering Committee consisting of State agency heads. The role of this committee is to advance the grant's three initiatives: value-based purchasing, insurance expansion, and data integration.

During 2000, the ACHIEVE staff will continue to work with multiple state agencies to develop a centralized mechanism for collecting and analyzing State agency health care expenditures. Staff will also facilitate the project's three work groups. The groups' objectives are to:

- leverage the State's significant purchasing power and improve accountability in the area of quality;
- measure the success of the HUSKY plan to further expand access and coverage to uninsured children; and
- enhance data capabilities to coordinate agency purchasing and contracting for health care.

Study and Report on Graduate Medical Education: Changes in federal financing of graduate medical education have raised this issue to greater prominence with health care policy makers. At the request of the Legislature, in 1999 OHCA conducted its first annual review of graduate medical education in Connecticut. The overall purpose of the first study was to understand the impact of GME on the Connecticut health care system in terms of its financing, access to care, and the sufficiency of the medical work force.

OHCA established a Graduate Medical Education Advisory Council to assist in the development of the first annual report, which was completed and distributed to legislators and other policy makers on December 30, 1999. The Advisory Council will reconvene in spring of 2000 to receive comments from the Legislature's Public Health Committee regarding the first report, and to begin framing the analysis for the second annual report.

Report on Nurse-Patient Ratios in Hospitals: Due to changes in medical care and in the nursing work force, in June of 1999, the Connecticut General Assembly passed legislation requiring OHCA to study nurse-patient ratios in hospitals. OHCA developed a framework for the study, including key demographic and operational factors that are having an impact on Connecticut's 31 acute care hospitals. In addition, the Agency researched the "best practices" of other states, reviewed national legislation, and conducted informational interviews with nursing leaders.

A request for information (RFI) was submitted to all 31 acute care facilities; the response rate was 100%. Given the wealth of information collected, the Agency is now drafting its report, which will be submitted to the General Assembly by February 9, 2000.

Reassess the Rate of Asthma in Connecticut: OHCA periodically examines health care issues involving hospitalizations in the state. Public interest in asthma has grown during the last several years as the incidence of this

chronic and costly disease has increased markedly, especially in children. In the summer of 2000, OHCA plans to release a supplement to its 1997 report on asthma. This report will provide health care organizations and policy makers with current data on asthma discharges, charges, and length of stay, as well as information by age, gender, racial and ethnic categories.

Objective 2: Inform the public and industry of statewide and national trends.

OHCA recognizes that in addition to policy makers, health care consumers and providers can contribute much to the evolution and development of the health system in the state. Consumers, as customers of the health care system, are well aware of its strengths and weaknesses; providers not only provide a vehicle of care, they are significant employers of Connecticut citizens. OHCA has and will continue to inform the public and providers on critical information about state and national trends and also provide a forum for these stakeholders to provide input into the design of the health care system. Initiatives to meet this objective in 2000 include the following.

Facilitate Appropriate Industry Working Groups: OHCA is successful in engaging health care industry representatives when developing new initiatives or when designing processes to improve Agency functions and operations. In 2000, the Agency will continue this effort with groups convened to provide input on graduate

medical education, state health insurance purchasing, cardiovascular service needs, and a review of hospitals and health systems.

Enhance Publications Capacity and Electronic Communications: OHCA produces a wide variety of reports designed to inform legislators, the industry, policy makers and the general public of important issues related to health care. These printed reports are widely distributed and are also posted on the Agency Website for optimum visibility. Upcoming publications include the following:

- **The Annual Report on the Financial Stability of Acute Care General Hospitals in Connecticut** is scheduled for release in early 2000. Now in its fifth year, this report includes several indicators reflecting the financial health of individual hospitals while comparing them to each other. Plans for the next publication include adding new financial measurements and integrating it with the *Hospital Discharge Data Book* to provide a more complete picture of both individual hospital activity and of the overall health care system.
- **The Annual Hospital Discharge Databook** provides information on hospitalization trends, including conditions most frequently requiring hospitalization, most common inpatient procedures, most costly hospital stays, changing hospitalization patterns and other similar data. The latest report, planned for

release in summer of 2000, will provide descriptive statistics for hospital inpatient stays for fiscal years 1998 and 1999. In addition, it will present general inpatient trends indicative of health system changes in the last five years.

Enhance Consumer Information Services: OHCA's Consumer Information Service coordinates health care information for Connecticut residents, including persons requiring assistance from more than one State agency. Consumer use of the Internet for researching health issues has led to a significant increase in online requests for assistance. OHCA will exploit this development in 2000 by enhancing the consumer information section on its website. Expanded outreach activities will continue in 2000, as OHCA becomes a visible participant in regional and statewide fairs and health education events.

In 1999 OHCA revamped its Preferred Provider Network (PPN) Registry. In addition, a comprehensive directory of all PPNs that have registered with OHCA will be produced and made available in spring of 2000. Based upon a growing number of consumer concerns, additional information will be developed and disseminated about PPNs in 2000. Enhanced data gathering capacity will be used to develop materials that provide answers to common consumer questions.

Objective 3: Design and direct health care system development.

Evolving market forces will result in continued change in Connecticut's health care delivery system, and active planning can channel the transition toward development of a strong system. OHCA continues to expand its proactive role in designing and directing health system change and will continue to collaborate with governmental entities, Legislators and other policy makers, industry work groups and citizens. Following are descriptions of key Agency efforts in this critical area.

Submit a Legislative Proposal Based on Recommendations of Imaging Work Group: A group comprised of practicing radiologists, hospital administrators, contract vendors and payers met several times in late 1999 to assist the Agency in considering ideas for legislative and regulatory changes regarding these diagnostic services. As a result of the group's deliberations, legislation changing the scope of the Certificate of Need process as it relates to Magnetic Resonance Imaging (MRI) will be proposed to the General Assembly for consideration during the 2000 session.

Implement Findings of Cardiovascular Needs Assessment: Based upon the study conducted for OHCA by John Goodman & Associates, the Agency released

a *Cardiovascular Demand Needs Analysis* report in September 1999. This document will be used by OHCA to assist in quantifying the concept of "need" as it relates to cardiovascular services and facilities in Connecticut, and to determine if modifications to the State's current system are warranted — and if so, how those needs may be prioritized and addressed.

Build Inventory of Connecticut Health Care Facilities: The Agency continues to gather data regarding health care facilities to construct a comprehensive facilities and services inventory. In addition, OHCA is exploring state-of-the-art technology to enhance the acquisition, analysis and distribution of information. Development of this tool will result in more complete information for the public and policy makers and will facilitate OHCA's planning function.

Support Financial Assistance to Hospitals: In 1999, OHCA implemented the legislatively conceived and crafted Hospital Loan Program. At the close of the scheduled loan application period, no Connecticut hospital applied for participation in this program. The Agency is recommending alternative methods of assisting Connecticut hospitals and will provide relevant information to the Executive and Legislative branches in the coming year.