



*Testimony before the Public Health Committee  
Commissioner Andrea Barton Reeves  
Department of Social Services  
February 3, 2025*

**HOUSE BILL 6836: AN ACT CONCERNING THE DEPARTMENT OF SOCIAL SERVICES' RECOMMENDATIONS REGARDING THE IMPLEMENTATION OF THE STATES ADVANCING ALL-PAYER HEALTH EQUITY APPROACHES AND DEVELOPMENT FEDERAL INNOVATION MODEL HOSPITAL GLOBAL PAYMENT METHODOLOGY.**

This legislation will provide DSS with the necessary authority to implement the All-Payer Health Equity Approaches and Development (AHEAD) innovation model.

Currently, the State of Connecticut Medicaid program uses a fee-for-service payment model, reimbursing hospitals according to specific payment codes they submit. This current methodology gives hospitals a financial incentive to provide more services and penalizes hospitals for providing cost-effective holistic care.

The AHEAD hospital payment model will shift from the fee-for-service model to a global budgeting payment model for those hospitals that choose to participate, which will offer more stable and predictable financing and give hospitals a financial incentive to invest more money into prevention and care coordination. This model also focuses on strengthening the primary care infrastructure using enhanced federal investments and strategies that support person-centered and coordinated care.

DSS, in coordination with the Office of Health Strategy (OHS), will develop and offer this global budget payment methodology for acute care hospitals that choose to participate in this model. The Department would like to note that this new structure is completely voluntary on the part of hospitals – if a hospital chooses not to participate in AHEAD, it will receive reimbursements under the current or prevailing payment structure.

Under the current cooperative agreement, Connecticut is receiving \$12 million in federal grant funds to design, plan, and implement the program. These federal funds will support hiring staff and contractors to design and oversee implementation of the program model.

As such, Connecticut will be required to monitor and evaluate the success of the new payment model, including health outcomes and costs, per the terms of our cooperative agreement with the Centers for Medicare and Medicaid Services (CMS).

The Department considers the AHEAD model an opportunity to restructure the state's hospital payment system in a way that affords our state hospitals various options while improving outcomes and containing cost growth. This legislation will provide DSS the needed statutory authority to offer an alternative payment model. DSS urges passage of this legislation.