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To: Senator Claire Ayer, Chair and members of the Senate Committee on Health and Welfare
From: Lila Richardson, Office of the Health care Advocate
RE: Suggested language for S.255
DATE: February 23, 2016

The Office of the Health Care Advocate (HCA) believes that it is extremely important to add a reporting requirement to track consumer and provider complaints about violations of standards for managed care organizations. The statute and regulations are moving to a system where there will be much less reporting by the carriers and where the Department of Financial Regulation (DFR) will enforce the quality standards based on complaints from consumers and providers. Reports about complaints are necessary to identify any patterns of violations of the standards.

We therefore ask the Committee to add the following language bolded and in italics to the bill:

Sec. 4. 18 V.S.A. § 9414 is amended to read:

§ 9414. QUALITY ASSURANCE FOR MANAGED CARE

(a) The Commissioner shall have the power and responsibility to ensure that each managed care organization provides quality health care to its members, in accordance with the provisions of this section

(1) In determining whether a managed care organization meets the requirements of this section, the Commissioner ~~shall~~ may review and examine, ~~in accordance with subsection (e) of this section,~~ the organization's administrative policies and procedures, quality management and improvement procedures, utilization management, credentialing practices, members' rights and responsibilities, preventive health services, medical records practices, grievance and appeal procedures, member services, financial incentives or disincentives, disenrollment, provider contracting, and systems and data reporting capacities. The Commissioner ~~may~~ shall establish, by rule, specific criteria to be considered under this section.

(4) The Commissioner or designee may resolve any consumer *or provider* complaint arising out of this subsection as though the managed care organization were an insurer licensed pursuant to Title 8. As used in this section, "complaint" means a report of a violation or suspected violation of the standards set forth in this section or adopted by rule pursuant to this section and made by or on behalf of a consumer or provider.

(5) The commissioner shall prepare quarterly reports providing information about the complaints received about violations or suspected violations of the standards set out by this section or promulgated by rule under this section. The reports shall specify how many complaints are received relative to each standard for each managed care organization and shall be posted on the department website.

The Office of the Health Care Advocate, previously named the Office of Health Care Ombudsman, is a special project of Vermont Legal Aid.

The information about complaints in the reports would be de-identified and the reports would not include any confidential information about individual consumer/patient care.

DFR has expressed concern that preparing reports would be administratively burdensome. However, the HCA believes that a simple reporting format could be developed with existing inexpensive software that is part of the Microsoft Office Suite.