



House of Representatives

File No. 643

General Assembly

January Session, 2013

(Reprint of File No. 369)

Substitute House Bill No. 6514
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 26, 2013

***AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE
PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE
CONCERNING MEDICAID PAYMENT INTEGRITY.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) On January 1, 2015, and
2 annually thereafter, the Commissioner of Social Services, in
3 coordination with the Chief State's Attorney and the Attorney General,
4 shall submit a joint report on the state's efforts in the previous fiscal
5 year to prevent and control fraud, abuse and errors in the Medicaid
6 payment system and to recover Medicaid overpayments, except as
7 otherwise required. The joint report shall include a final reconciled and
8 unduplicated accounting of identified, ordered, collected and
9 outstanding Medicaid recoveries from all sources. No personally
10 identifying information related to any Medicaid claim or payment
11 shall be included in the joint report. Nothing in this section shall
12 require the Department of Social Services, the office of the Chief State's
13 Attorney or the office of the Attorney General to report information
14 that is protected from disclosure under state or federal law or by court

15 rule.

16 (b) The Department of Social Services shall provide information,
17 including, but not limited to:

18 (1) Data related to Medicaid audits conducted by the department,
19 including: (A) The number of such audits completed by provider type;
20 (B) the amount of overpayments identified due to such audits; (C) the
21 amount of avoided costs identified due to such audits; (D) the amount
22 of overpayments recovered due to such audits; and (E) the number of
23 such audits resulting in referral to the office of the Chief State's
24 Attorney;

25 (2) Data related to Medicaid program integrity investigations
26 conducted by the department, including: (A) The number of
27 complaints received by source type and reason; (B) the number of
28 investigations opened by source type and provider type; (C) the
29 number of investigations completed, with outcomes for each
30 investigation by source type and provider type; (D) the amount of
31 overpayments identified due to investigations; (E) the amount of
32 overpayments collected due to investigations; (F) the number of
33 investigations resulting in a referral to the office of the Chief State's
34 Attorney; (G) for each closed investigation, the length of time elapsed
35 between case opening and closing by time ranges, from between (i)
36 less than one month to six months, (ii) seven months to twelve months,
37 (iii) thirteen months to twenty-four months, or (iv) twenty-five or more
38 months; (H) for each investigation resulting in a referral to another
39 agency, the length of time elapsed between case opening and referral
40 for the time ranges described in subparagraph (G) of this subdivision;
41 (I) the number of investigations resulting in suspension of Medicaid
42 payments by provider type; and (J) the number of investigations
43 resulting in suspension of provider enrollment from the Medicaid
44 program by provider type; and

45 (3) The amount of overpayments collected by recovery contractors
46 by type of contractor.

47 (c) The Chief State's Attorney shall provide Medicaid information
48 including, but not limited to: (1) The number of investigations opened
49 by source type; (2) the general nature of the allegations by provider
50 type; (3) for each closed case, the length of time elapsed between case
51 opening and closing by the time ranges described in subparagraph (G)
52 of subdivision (2) of subsection (b) of this section; (4) the final
53 disposition category of closed cases by provider type; (5) the monetary
54 recovery sought and realized by action, including (A) criminal charges,
55 (B) settlements, and (C) judgments; and (6) the number of referrals
56 declined and reason.

57 (d) The Attorney General shall provide Medicaid information
58 including, but not limited to: (1) The number of investigations opened
59 by source type; (2) the general nature of the allegations by provider
60 type; (3) for each closed case, the length of time elapsed between case
61 opening and closing by the time ranges described in subparagraph (G)
62 of subdivision (2) of subsection (b) of this section; (4) the final
63 disposition category of closed cases by provider type; (5) the monetary
64 recovery sought and realized by action, including (A) civil monetary
65 penalties, (B) settlements, and (C) judgments; and (6) the number of
66 referrals declined and reason.

67 (e) The joint report shall include third-party liability recovery
68 information for the previous three-year period by fiscal year,
69 including, but not limited to: (1) The total number of claims selected
70 for billing by commercial health insurance and Medicare; (2) the total
71 amount billed for such claims; (3) the number of claims where
72 recovery occurred; (4) the actual amount collected; (5) an explanation
73 of any claim denials by category; (6) the number of files updated with
74 third-party insurance information; and (7) the estimated cost
75 avoidance in the future related to updated files.

76 (f) The joint report shall include: (1) Detailed and unit specific
77 performance standards, benchmarks and metrics; (2) projected cost
78 savings for the following fiscal year; and (3) new initiatives taken to
79 prevent and detect overpayments.

80 (g) The Commissioner of Social Services, in coordination with the
 81 Chief State's Attorney and the Attorney General, shall submit the joint
 82 report, in accordance with the provisions of section 11-4a of the general
 83 statutes, to the joint standing committees of the General Assembly
 84 having cognizance of matters relating to human services and
 85 appropriations and the budgets of state agencies. Each agency shall
 86 also post the joint report on the agency's Internet web site.

87 Sec. 2. (*Effective from passage*) (a) The Department of Social Services
 88 shall conduct an assessment of the feasibility of expanding its
 89 Medicaid audit program, including the possible use of contingency-
 90 based contractors.

91 (b) The Department of Social Services shall produce a written
 92 analysis of the recovery of Medicaid dollars through its third-party
 93 liability contractors to determine if recovery procedures maximize
 94 collection efforts.

95 (c) The department shall submit a written report, in accordance with
 96 the provisions of section 11-4a of the general statutes, not later than
 97 January 1, 2014, of its findings regarding the audit feasibility
 98 assessment and third-party liability analysis to the joint standing
 99 committees of the General Assembly having cognizance of matters
 100 relating to human services and appropriations and the budgets of state
 101 agencies.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill requires the Department of Social Services (DSS) to annually report on the state's efforts to combat Medicaid fraud, waste, and abuse and the recovery of Medicaid overpayments. Additionally, DSS must examine expanding its Medicaid audit and third party liability efforts and report to the General Assembly. There is no anticipated fiscal impact from these requirements.

House "A" made technical and clarifying changes that had no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 6514 (as amended by House "A")*****AN ACT IMPLEMENTING THE RECOMMENDATIONS OF THE PROGRAM REVIEW AND INVESTIGATIONS COMMITTEE CONCERNING MEDICAID PAYMENT INTEGRITY.****SUMMARY:**

Starting January 1, 2015, this bill requires the Department of Social Services (DSS), in coordination with the chief state's attorney and attorney general, to annually submit a joint report to the General Assembly on the state's efforts in the previous fiscal year to (1) prevent and control Medicaid fraud, abuse, and errors and (2) recover Medicaid overpayments.

The bill also requires DSS to assess the feasibility of expanding its Medicaid audit program and report its findings to the Human Services and Appropriations committees by January 1, 2014.

*House Amendment "A" extends, by six months, the date by which the first joint report must be submitted to the General Assembly. It also eliminates some of the joint report and DSS feasibility assessment requirements.

EFFECTIVE DATE: Upon passage

JOINT REPORT ON MEDICAID FRAUD PREVENTION AND OVERPAYMENT RECOVERY

The annual joint report by DSS, the chief state's attorney, and the attorney general must include a final reconciled and unduplicated accounting of identified, ordered, collected, and outstanding Medicaid recoveries from all sources. The report (1) cannot include any personally identifying information related to a Medicaid claim or

payment and (2) does not have to include information that is protected from disclosure by state or federal law or by court rule.

The bill requires DSS, the chief state's attorney, and the attorney general to provide information and data, presumably in the report.

DSS Information Requirements

The bill requires DSS to provide Medicaid audit and program integrity investigation data. The audit data must include the:

1. number of completed audits by provider type,
2. amount of overpayments identified and recovered due to the audits,
3. amount of avoided costs identified by the audits, and
4. number of audits that were referred to the chief state's attorney.

The Medicaid program integrity investigation data must include:

1. the number of complaints received by source type and reason;
2. the number of investigations opened and completed by source and provider type, including outcomes;
3. the amount of overpayments identified and collected due to investigations;
4. the number of investigations resulting in (a) a referral to the chief state's attorney, (b) suspension of Medicaid payments by provider type, and (c) suspension of provider enrollment from Medicaid by provider type;
5. for each closed investigation, the length of time between case opening and closing by time ranges, from between (a) less than one month to six months, (b) seven to 12 months, (c) 13 to 24 months, or (d) 25 or more months; and

6. for each investigation referred to another agency, the length of time between case opening and referral for those time ranges.

The bill also requires DSS to provide information on the amount of overpayments collected by recovery contractors by contractor type.

Chief State's Attorney and Attorney General Information Requirements

The bill requires the chief state's attorney and attorney general to each provide Medicaid information including:

1. the number of investigations opened by source type;
2. the general nature of the allegations by provider type;
3. for each closed case, the length of time between case opening and closing by time ranges, from between (a) less than one month to six months, (b) seven to 12 months, (c) 13 to 24 months, or (d) 25 or more months;
4. the final disposition category of closed cases by provider type;
5. the monetary recovery sought and realized by action, including (a) criminal charges (chief state's attorney) or civil monetary penalties (attorney general), (b) settlements, and (c) judgments; and
6. the number of referrals declined and the reasons why they were declined.

Report Requirements

The report must include third-party liability recovery information for the previous three-year period by fiscal year, including:

1. the total number of claims selected for billing by commercial health insurance and Medicare;
2. the total amount billed for such claims;

3. the number of claims where recovery occurred and the amount collected;
4. an explanation of any claim denials by category;
5. the number of files updated with third-party insurance information; and
6. the estimated future cost avoidance related to updated files.

The report must also include:

1. detailed and unit-specific performance standards, benchmarks, and metrics;
2. projected cost savings for the following fiscal year; and
3. new initiatives taken to prevent and detect overpayments.

The bill requires the DSS commissioner, chief state's attorney, and attorney general to submit the report to the Human Services and Appropriations committees. Each agency must also post the report on its website.

DSS MEDICAID AUDIT PROGRAM EXPANSION ASSESSMENT

The bill requires DSS to assess the feasibility of expanding its Medicaid audit program, including the possible use of contingency-based contractors.

The bill requires DSS to produce a written analysis of the recovery of Medicaid dollars through its third-party liability contractors to determine if recovery procedures maximize collection efforts.

The bill also requires DSS, by January 1, 2014, to submit a report on its audit feasibility assessment and third-party liability analysis findings to the Human Services and Appropriations committees.

Program Review and Investigations Committee

Joint Favorable Substitute Change of Reference
Yea 10 Nay 0 (03/14/2013)

Human Services Committee

Joint Favorable
Yea 18 Nay 0 (03/21/2013)