



**Testimony to: Connecticut/Joint Judiciary Committee/H.B. 6583/Representative Berger**  
**Date/Time: March 13, 2013/1:30 PM**

**Location: Hartford, Connecticut**  
**Robin Kingston**  
**Vice President, Government Markets**  
**Emdeon Opening Statement**

Good Afternoon, Mr. Chairman, members of the Committee, for the record my name is Robin Kingston with Emdeon. Emdeon is the nation's largest healthcare data exchange, processing over 6.4B administrative, financial and clinical transactions annually. We connect over 90% of all provider types with more than 600 system vendors and 1,200 public-and private sector payers. While Emdeon does offer the services referenced in H.B. 6583, we are one of many entities that do so and my testimony is in no way meant to be a promotion of any Emdeon-specific offering.

In an era of budget constraints it has never been more important to take active steps to control escalating costs – and the correctional health care system is not immune to this. The 2012 Correctional Managed Health Care (CMCH) annual report indicated Connecticut's inmate population was 17,590 individuals, with an average cost of \$4,795 per individual per year for all healthcare related costs, both in- and out-of-facility. Across the country correctional health costs are spiraling upward due to the increasing prevalence of complex and chronic diseases, the rate of mental and behavioral health conditions and the aging of inmate populations.

My purpose today is to testify in support of H.B. 6583 and provide detail on two key methods to contain expenditures which are common in the commercial health payer market today, yet which are just gaining visibility and application within correctional health systems.

First, H.B. 6583 provides for the application of clinical code editing to medical bills incurred and reimbursed by the correctional health system. Clinical code editing is an automated solution, which reviews out-of-facility claim prior to payment to ensure the services are coded properly according to millions of fully-sourced medical coding guidelines. These sources include such institutions as the American Medical Association and the Centers for Medicare and Medicaid

Services. Examples of improperly coded claims include laboratory services which are billed line-by-line versus as an equivalent laboratory panel and separate billing for post-operative follow-up care when included in the cost of the surgery. While there may be absolutely no intention of erroneous billing, improperly coded claims can represent an increase of 1-3% in total healthcare costs.

Second, H.B. 6583 also calls for a comprehensive audit of medical claims after payment is made to ensure billing compliance with contractual terms, as well as the presence of medical documentation to support the level or severity of care billed. Where non-compliance with contractual billing terms is found or where the medical record does not support the level or severity of care reimbursed, recovery of the overpayment amount would then be made. When managed with a collaborative approach, provider concurrence of findings would be gained prior to any recoveries being made, creating minimal disruption to the contracted providers.

Through the use of such comprehensive recovery audit methods, Equicclaim, an Emdeon company, recovered over \$12M in overpayments in a 24 month period for the correctional health system in CA. While CA has a much larger inmate population, the experience here speaks to the potential savings which could be realized by other correctional health budgets.

It is important to note that these cost-saving measures are not punitive to providers rendering out-of-facility care to Connecticut's inmates. These measures present no discernible delay in accurate payments and are meant to root out inappropriate and incorrect payments to ensure scarce budget dollars are available to pay for necessary care.

#### **In conclusion**

As the State looks for ways to contain health care costs within the correctional health system, both clinical code editing and recovery audit reviews may have application for the State. These tools are widely used in the commercial health insurance industry today and are gaining ground with correctional health payers across the country. H.B. 6583 enables any potential savings through the use of such tools to be realized for Connecticut. I commend Representative Berger for the introduction of H.B. 6583 and urge you to advance this important legislation.

I also thank you for the opportunity to appear before the Committee today.