



Companions & Homemakers™

Home Care for Older Adults

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Program Review and Investigations Committee

Testimony Regarding Raised Bill No. 6514

"An Act Implementing the Recommendations of the Program Review and Investigations Committee Concerning Medicaid Payment Integrity."

DEAR SENATOR KISSEL AND REPRESENTATIVE MUSHINSKY AND MEMBERS OF THE COMMITTEE:

My name is Martin Acevedo. I am General Counsel of Companions & Homemakers, Inc., a 22-year old homemaker-companion services registered with the Department of Consumer Protection. C&H provides services to private pay clients as well as clients of the Medicaid-based Connecticut Home Care Program for Elders administered by DSS. I am writing in support of RB 6514. This bill would require DSS, among other things, to provide to this Committee on an annual basis a comprehensive accounting of "identified, ordered, collected and outstanding Medicaid recoveries from all sources."

For years, DSS has conducted hundreds—if not thousands—of audits of Medicaid providers like our agency. Audits are time-consuming, uncertain, and unduly stressful events. They are rife with uncertainty. Prior to 2010, Medicaid providers did not even have the right to appeal the results of their audits in court. Despite a 2010 statute requiring DSS to issue regulations to ensure the fairness of the audit process, no final regulations have been adopted yet. The failure to adopt regulations has not stopped DSS from conducting audits, even though the statute requires DSS to provide a copy of the regulations with its notice of audit to the provider—something which obviously cannot be done unless and until the final version of the regulations are actually adopted and approved.

Notwithstanding the potential for substantial financial assessments and fines, there is very little accountability in the process. For years, DSS has failed to disclose the manner in which it selects the providers for audit and the methodologies for assessing financial disallowances. Applying its powerful *extrapolation* tool, DSS has recovered millions of dollars from providers. However, to our knowledge, DSS has not ever reported, among other information, the number of audits conducted, the identity of the providers audited, the amounts recouped, and the number of instances of verified fraud.

Testimony from DSS officials indicate the Department has identified over 380 million dollars in "cost avoidance overpayments and third-party liabilities." (The amount in SFY 2011 was \$372 million.) It goes without saying that these are substantial sums of money. Detailed recordkeeping, reporting and disclosure are thus needed. This bill is a critical step to bring order and clearness to DSS' audit and recoupment processes and imposes no undue burden on the Department. The bill furthers the Connecticut legislature's duty of oversight and promotes transparency in government. *We request, however, that this annual report also be posted on the Department of Social Services' website.*

For all these reasons, we urge you to approve Bill 6514. Thank you for your consideration. I would be happy to answer any questions or provide additional information