



General Assembly

**Substitute Bill No. 6514**

January Session, 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 June 30, 2014, 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, in accordance with the provisions of section  
5 11-4a of the general statutes, to the General Assembly on the state's  
6 efforts in the previous fiscal year to prevent and control fraud, abuse  
7 and errors in the Medicaid payment system and to recover Medicaid  
8 overpayments, except as otherwise required. The joint report shall  
9 include a final reconciled and unduplicated accounting of identified,  
10 ordered, collected and outstanding Medicaid recoveries from all  
11 sources. No personally identifying information related to any  
12 Medicaid claim or payment shall be included in the joint report.  
13 Nothing in this section shall require the Department of Social Services,  
14 the office of the Chief State's Attorney or the office of the Attorney  
15 General to report information that is protected from disclosure under  
16 state or federal law or by court rule.

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

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

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

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

48 (c) The Chief State's Attorney shall provide Medicaid information  
49 including, but not limited to: (1) The number of investigations opened  
50 by source type; (2) the general nature of the allegations by provider  
51 type; (3) for each closed case, the length of time elapsed between case

52 opening and closing by the time ranges described in subparagraph (G)  
53 of subdivision (2) of subsection (b) of this section; (4) the final  
54 disposition category of closed cases by provider type; (5) the monetary  
55 recovery sought and realized by action, including (A) criminal charges,  
56 (B) settlements, and (C) judgments; and (6) the number of referrals  
57 declined and reason.

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

68 (e) The joint report shall include third party liability recovery  
69 information for the previous five-year period by fiscal year, including,  
70 but not limited to: (1) The total number of claims selected for billing by  
71 commercial health insurance and Medicare; (2) the total amount billed  
72 for such claims; (3) the number of claims where recovery occurred; (4)  
73 the actual amount collected; (5) the number of files updated with third  
74 party insurance information; and (6) the estimated cost avoidance in  
75 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; (3) new initiatives taken to  
79 prevent and detect overpayments; and (4) policy recommendations  
80 necessary to prevent or recover overpayments and deter and detect  
81 fraud. All such policy recommendations shall include a detailed fiscal  
82 analysis, including estimated (A) implementation costs, (B) savings,  
83 and (C) return on investment.

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

91 Sec. 2. (NEW) (*Effective from passage*) (a) The Department of Social  
92 Services shall conduct an assessment of the feasibility of expanding its  
93 Medicaid audit program. This assessment shall include, but not be  
94 limited to: (1) A return-on-investment calculation that compares the  
95 additional resources necessary to expand the program to the potential  
96 benefits of such expansion, and (2) a cost comparison between using  
97 department employees or a contingency-based contractor to increase  
98 the number of audits conducted.

99 (b) The Department of Social Services shall produce a written  
100 analysis of the recovery of Medicaid dollars through its third-party  
101 liability contractors to determine if recovery procedures maximize  
102 collection efforts. If deficiencies are found in such procedures, the  
103 department shall develop strategies to address any gaps. Such analysis  
104 shall include, but not be limited to: (1) A review of the reasons for  
105 third-party liability denials to determine if Medicaid recovery amounts  
106 could be increased by program or system changes that would allow for  
107 more denied claims to be resubmitted to the responsible third party;  
108 (2) the identification and evaluation of the outcomes of the  
109 department's third-party liability contractor's efforts to collect  
110 Medicare payments based on the number and dollar amount of  
111 Medicare claims appealed and the amount recovered for those claims;  
112 (3) if the department determines that the total amount potentially  
113 recoverable through the Medicare appeal process exceeds the  
114 department's contract costs, the department must propose ways to  
115 expand the number of claims it allows such third-party contractors to  
116 appeal; and (4) strategies to address any gap in collection efforts.

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

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| 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 |

**PRI**

*Joint Favorable Subst. C/R*

HS