



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 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 provider exclusion from the Medicaid program by
44 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 five-year period by fiscal year, including,
69 but not limited to: (1) The total number of claims selected for billing by
70 commercial health insurance and Medicare; (2) the total amount billed
71 for such claims; (3) the number of claims where recovery occurred; (4)
72 the actual amount collected; (5) the number of files updated with third
73 party insurance information; and (6) the estimated cost avoidance in
74 the future related to updated files.

75 (f) The joint report shall include: (1) Detailed and unit specific
76 performance standards, benchmarks and metrics; (2) projected cost
77 savings for the following fiscal year; (3) new initiatives taken to
78 prevent and detect overpayments; and (4) policy recommendations
79 necessary to prevent or recover overpayments and deter and detect
80 fraud. All such policy recommendations shall include a detailed fiscal
81 analysis, including estimated (A) implementation costs, (B) savings,
82 and (C) return on investment.

83 (g) The Commissioner of Social Services, in coordination with the

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

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

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

116 (c) The department shall submit a written report, in accordance with

