
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)