



Testimony Submitted to the Human Services Committee:

Submitted By: Anne L. Ruwet CEO – CCARC, Inc.

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Support: Raised H.B. No. 5500: ‘An Act Concerning Provider Audits Under the Medicaid Program’ Senator Slossberg, Representative Abercrombie, and distinguished members of the Human Services Committee: I appreciate the opportunity to provide testimony regarding this important issue. My name is Anne Ruwet and I am fortunate to serve as the CEO of CCARC, Inc. for over the past 19 years. CCARC, Inc. has been provider of services for people with disabilities since 1952 providing Day and Residential Services in. The State of Connecticut should be proud that we have a strong network of human service providers that provide essential and critical services to the most vulnerable citizens of our state.

I am here today to support the concepts presented in the proposed legislation and appreciate the foresight of the Committee for developing processes to ensure that audits of providers who receive payments under the state Medicaid program are performed ‘fairly and accurately.’ We urge passage of HB. No. 5500 although with a few additional recommendations as outlined below.

I support the following aspects of the proposed legislation:

- * The proposed requirement for the DSS to provide ‘free training for new providers on how to enter claims to avoid clerical errors.’ (Section 1b)
- * The limitation of scope to information necessary to support claims only. (Section 1c).
- * The proposed requirement for the DSS to reexamine the extrapolation process and the process to establish which provider would be subject to an audit as follows ‘... only perform an extrapolation of claims based on a sample of like claims and shall not perform such extrapolation based on the entire number of claims billed by any one provider. In determining which providers shall be subject to an audit, the department shall direct its efforts first to providers with a higher compliance risk based on past audits or errors.(section 1d)
- * The proposed shift in policy that would prevent the DSS from issuing payment to a contractor performing a provider audit ‘...on the basis of the amount of overpayment by the Medicaid program to the provider as determined by the provider audit.’ (section 1e)

In addition, these are proposed recommendations to modify this bill:

- * Streamline process to increase efficiencies: Since the process described is that of an ‘audit’ as opposed to an ‘investigation,’ it would behoove all parties to provide at least a portion of the targeted information to be audited, in advance of the actual audit similar to the independent financial audits that are performed each year. The amount of time and resources spent both a) for a provider to interrupt operations and dedicate an increased number of staff to the process at one time, and b) for DSS auditors to literally wait while agency staff gather the required information (which may be a period of several hours – if not days) cannot be overstated. The inefficiency in this process as it currently stands invariably has a great impact on the anticipated ‘Cost Savings’ of the outcome.
- * Consequences that are appropriate to any identified discrepancies/concerns: We recommend that there is a need for clear distinction between clerical errors and fraudulent documentation. It would stand to reason that there would be necessary ‘penalties’ for fraudulent documentation. However, in situations where there has clearly been an error that is clerical in nature, we propose that there would be a ‘penalty’ with an established ‘ceiling.’ As this is the first round of audits on a relatively new system of payment, it is recommended that the audits should be

corrective in nature and not punitive. These agencies are almost fully funded by the State and funds necessary to repay audit findings will likely result in cuts to client care.

Our private provider system of care operates efficiently and effectively without having any cost of living increases in many years. We are all working toward the same mission to provide quality services to our most vulnerable citizens but we must work collaboratively to reach this end.

Thank you again for your time and consideration. Please do not hesitate to contact me with any questions, or for additional information.

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