



Catholic Charities
Archdiocese of Hartford

Testimony Submitted to the Human Services Committee:

Submitted By: Lois Nesci, CEO
Catholic Charities – Archdiocese of Hartford

Public Hearing Date: March 13, 2014

Support and Recommendations Regarding:

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 this testimony regarding this important issue. Catholic Charities of the Archdiocese of Hartford supports the intent of House Bill No. 5500. Catholic Charities is a multi-service nonprofit agency operating 36 locations in the counties of Hartford, New Haven, and Litchfield.

This bill attempts to ensure that audits of providers who receive payments under the State Medicaid program are performed fairly and accurately. Audits are necessary and important for the Medicaid program and we absolutely condemn deliberate Medicaid fraud and abuse.

The current method of extrapolation may place significant hardship for providers in monies required to be returned and legal fees. In some cases providers have had to make decisions to “close their doors.” There are times when errors are inadvertent or simply clerical.

In particular, we 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 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.
- * 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, we respectfully submit the following recommendations related to the proposed legislation:

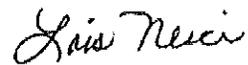
We recommend that there is a need for clear distinction between clerical errors and fraudulent documentation. It would stand to reason that there would be necessary ‘penalties’ for intentional fraudulent documentation. However, in situations where there has clearly been an error that is clerical in nature, 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. Our agency is significantly funded by State departments and funds necessary to repay audit findings will likely result in cuts to client care needs.

We also recommend a clarification in the definition of "like claims," whether the reference is to levels of care or individual compliance standards.

We appreciate this first step in the process and thank you for your time and consideration

Respectfully submitted,

A handwritten signature in cursive script that reads "Lois Nesci".

Lois Nesci, Chief Executive Officer
Catholic Charities – Archdiocese of Hartford