



Meriden Office (Main)
 P.O. Box 941
 1630 North Colony Road
 Meriden, CT 06450-0941
 P: 203-235-2583
 F: 203-235-0827

Middletown Office
 100 Plaza Middlesex
 Middletown, CT 06457
 P: 860 347-8923
 F: 860 347-1580

www.kuhngroup.org

*Valued * Independent * Proud*

**Human Services Committee Public Hearing
 Thursday, March 13, 2014
 11:00 AM**

Testimony for Connecticut General Assembly HB-5500

Thank you for the opportunity to comment on HB-5500, AN ACT CONCERNING PROVIDER AUDITS UNDER THE MEDICAID PROGRAM. As the Executive Director for Kuhn Employment Opportunities, Inc., a nonprofit agency that focuses on assisting approximately 450 individuals with disabilities gain employment, I urge you to pass HB 5500.

We at Kuhn recognize that audits are necessary and important for the Medicaid program, and we absolutely condemn Medicaid fraud and abuse to the fullest. However, using this same audit process to generate revenue (\$64 million for FY 14 and \$103 million for FY 15) to close the State budget gap is highly unrealistic and overly ambitious. In addition, it has the potential to create an aggressive environment to find revenue at the detriment of private non-profit agencies like Kuhn even for unintentional clerical errors.

A point to support my above assertion is the fact that contractors performing DSS Medicaid audits are paid on a contingency fee basis, receiving a percentage of the payments they collect from providers. This type of audit practice is currently avoided by the business community because of an inherent conflict of interest which allows auditors to benefit from the total amount of payments they collect.

We strongly support section (e) of HB-5500, as it resolves this conflict of interest by requiring that DSS not issue payment to a contractor on the basis of the amount of overpayment by the Medicaid program to the provider as determined by the provider audit.

Again, we thank the Committee for paying attention to this important issue for community providers and for drafting a bill that addresses the problems with audits in a fair and reasonable way, while still holding any fraud or abuse in the system completely accountable.

Thank you for your time and attention.

Robert Stephens
 Executive Director

Board of Directors

Officers: Paul M. O'Sullivan Chairperson, Mark A. Dupuis Vice Chairperson, James M. Anderson Secretary, John J. Ausanka III Treasurer

Members: Maribel Borruso, Pasquale J. DeVito, Betsey G. DuBols

Executive Director: Robert L. Stephens

