



a community support system

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Testimony for hearing scheduled on Thursday, March 13, 2014 11:00am – unable to present in person

HB-5500: AN ACT CONCERNING PROVIDER AUDITS UNDER THE MEDICAID PROGRAM

As Chief QA/Compliance Officer at Bridges...A Community Support System, Inc., we have experienced three (3) DSS audits since 2002. Audits are an expectation of our business of providing health care to an area that covers nearly 225,000 individuals and families and includes to residents of Milford, Orange West Haven and extends for some services into the towns of, Ansonia, Bethany, Derby, Seymour, Shelton and Woodbridge. Despite the anxiety that these events cause, we often have gotten helpful feedback regarding our processes to assure we are in compliance with the all applicable DSS regulations.

However, there are components of the auditing process that appear unfair and inaccurate. We have been vocal about these at the time of our exit interviews with DSS auditing staff.

This includes the practice of extrapolation -- that is, taking the results of a sample of claims that may have a clerical error and applying it to a larger population of claims. For us that meant, treatment plans that had missed a date on one page(found on following pages) was extrapolated to a much larger number of claims. If the purpose is to unearth fraud and abuse, and not take what could simply be a paperwork error and multiple it exponentially so as to fill a revenue line in the state budget, then this practice seems unfair. This further endangers the backbone of vital services and supports that we as a community provider perform day in a day out for the most vulnerable people in our state.

We very much support section (d) of HB-5500, which stipulates that auditors only perform an extrapolation of claims based on a sample of like claims rather than the entire number of claims billed by a provider. This is a reasonable exercise of the practice of extrapolation, very unlike what is currently in place.

At the time of our 2008 audit a new intensive home based program had procedures in place that were not adequately addressed in the audit regulations. Some of the documents were missed by the auditor on site. Responding to these items cost us additional time and money, including legal consult.

Of particular concern to us 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. There seems to be an inherent conflict of interest in this method, as it allows auditors to benefit from the total amount of payments they collect from providers. One might conclude there is an incentive to auditors to find evidence of errors or wrongdoings.

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.

Submitted by,

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