



State of Connecticut

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Testimony in Support of House Bill 5816 Government Administration and Elections Committee February 25, 2015

Chairs Jutila and Cassano, Ranking Members Smith and McLachlan, and distinguished members of the Government Administration and Elections Committee, we appreciate the opportunity to submit testimony in support of **House Bill 5816, An Act Concerning Audits by State Agencies**

This proposal requires all agencies that utilize extrapolation for the purposes of performing audits to limit extrapolation methods to audits involving sustained high levels of payment errors or evidence of fraud. The intent is to prevent extrapolation methods to be utilized for clerical errors.

Extrapolation can be an effective tool in applying the results of an audited sample of claims to the larger universe from which the sample was drawn. Extrapolation can help maintain integrity in state funded programs by combating fraud and abuse. Unfortunately, we have heard complaints from numerous providers participating in the Medicaid program that the use of extrapolation is often used in circumstances involving clerical errors, even though there was no financial impact resulting from such errors. Yet, the financial impact on the providers for making such errors can be significant. Under the extrapolation method, it is possible for a single error on one drug script by a pharmacist to be applied to all similar Medicaid scripts written by the pharmacist, going back several years. This results in significant penalties, especially to small independent providers.

House Bill 5816 tries to remedy this issue by ensuring that extrapolation is used only in cases of truly fraudulent or error prone record keeping, rather than clerical errors. This approach allows us to root out fraud and other possible significant issues while protecting our state's providers from unwarranted punishment.

In closing, the House Republican Office appreciates the Committee's consideration of this bill and we ask for your full support.

Sincerely

Vincent Candelora
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Service North Branford, Durham, Guilford, Wallingford