CCPA STRONG PROVIDERS HEALTHY COMMUNITIES
CT COMMUNITY PROVIDERS ASSOCIATION

To: **Members of the Human Services Committee**

From: **Brunilda Ferraj, Senior Public Policy Specialist**
Connecticut Community Providers Association (CCPA)

Re: **Human Services Committee Public Hearing on H.B. No. 6550 AN ACT CONCERNING MEDICAID PROVIDER AUDITS**

Date: **February 11, 2015**

Good evening Senator Moore, Representative Abercrombie, and distinguished members of the Human Services Committee:

My name is Brunilda Ferraj, Senior Public Policy Specialist at the Connecticut Community Providers Association (CCPA). CCPA represents community-based organizations that provide health and human services for children, adults, and families in multiple areas, including mental health, substance use disorders, and developmental disabilities. Our members serve more than 500,000 Connecticut residents each year.

I am here today in support of H.B. No. 6550 AN ACT CONCERNING MEDICAID PROVIDER AUDITS, which seeks to resolve challenges experienced by providers undergoing Medicaid audits by the Department of Social Services. As you are aware, challenges with the current audit methodology can result in serious unintended consequences for community providers. A simple clerical error on Medicaid claims can result in a penalty hundreds of times that amount, threatening the financial viability of a provider. Public Act 14-162 set standards to protect providers from such unintended consequences, while ensuring that audits are fair, consistent, and equitable, as they are meant to be; HB 6550 will clarify and build on the legislative intent in this Public Act.

HB 6550 responds to critical concerns raised by community providers and others with respect to the transparency and conduct of audits under the Medicaid program. In particular, we fully support the establishment of clear parameters for the use of extrapolation, as well as the establishment of acceptable methods by which providers may challenge extrapolated findings. While we understand that extrapolation is a national standard in the conduct of audits, it is imperative that providers understand and are held to consistent parameters for its use.

In addition, we support the establishment of further requirements concerning transparency, outreach and education by the Department of Social Services to reduce provider errors. As noted, simple clerical errors can result in penalties that threaten the viability of providers. If providers are given the opportunity to fully understand the expectations of the Department, audits are more likely to focus on the fraud and abuse that they are intended to catch, rather than clerical errors. This protection was outlined in PA 14-162, but we support a more detailed description, the opportunity for which is offered in HB 6550.

Respectfully, CCPA suggests that HB 6550 be amended to extend these protections to section 17b-99(a) of the 2014 supplement to the general statutes. While section 17b-99 covers most community providers, long-term care providers are addressed in 17b-99(a), which was also added to PA 14-162. As in last year's Public Act, adding the proposed protections to section 17b-99(a) will ensure that *all* community providers subject to Medicaid audits receive the same protections in the conduct of audits.

Thank you for your attention to this important issue and providing the transparency it demands.
I am happy to answer any questions you may have or provide any additional information.