

The Chore Service
322 Main Street, Lakeville, CT 06039

February 10, 2015

To: State of Connecticut Committee on Human Services

From: Mr. Lea Davies, President, The Chore Service Board
Ms. Heather Dinneen, Executive Director, The Chore Service

Re: Proposed Bill No. 6550

Background

- The Chore Service is a non-profit organization serving the Litchfield County towns of Canaan, Cornwall, Falls Village, Kent, Norfolk, Salisbury and Sharon in the rural Northwest Corner of CT.
- Chore's mission is to help elderly and disabled residents live safely and independently at home while providing part-time work to local residents who utilize their wages to support businesses in the community. For fiscal year 7/1/13-6/30/14, the Chore Service provided home maker services to 236 seniors and employed 81 part-time workers paying them a total of \$369,963.
- The Chore Service is the sole provider of home maker charity care in the Northwest Corner.

The entire ten member Board of the Chore Service and its Executive Director support the passage of Proposed Bill No. 6550 for the following reasons, listed under the four amendment areas identified for subsection (d) of section 17b-99 of the general statutes:

1. Establish clear parameters governing the use of extrapolation in Medicaid provider audits.

- Extrapolation should be limited to egregious conduct by service providers, such as deliberate fraud or prolonged, documented records of carelessness.
- Extrapolation policies should **not** equally impact (1) careful and honest providers and (2) careless or fraudulent providers.
- Extrapolation should **not** be conducted across disparate services and should only be applied to like claims. Services provided by home care agencies are entirely different from services provided by hospitals or nursing homes.

2. Establish specific minimum standards for statistical sampling, including a minimum error rate and types of statistical sampling that may be used.

- Extrapolation should **not** be used for innocent, human administrative, recordkeeping or clerical errors.
- Extrapolation process is based on organizations having a zero error rate – human mistakes occur and the cost for bringing error rates to zero is prohibitive.
- Extrapolation projections should be based on a statistically valid random sample as reviewed by a statistician with expertise in probability sampling and estimation methods.
- Extrapolation sampling methodology, used by an auditor, should be disclosed to the provider by the auditor before the audit is initiated.
- Auditors should be required to have the requisite training and qualifications in terms of coding experience, general knowledge of provider services and sampling methodology.

3. Establish acceptable methods by which providers may challenge extrapolated findings of overpayment.

- Current extrapolation fines can (1) put small organizations like Chore, that operate in rural CT, out of business or (2) make them unable to provide services to the elderly due to CCCI reimbursements being held until provider/Department of Social Services (DSS) extrapolation disputes are resolved.
- Both of the above scenarios negatively impact (1) elderly clients that the CT Homecare Program is trying to help, especially in rural CT where there are a limited number of providers (2) workers who are employed by providers and are dependent on their wages to live and (3) communities that depends on providers to support its elderly population and worker wages to support local businesses.
- Extrapolation appeal process should have at least two levels – (1) Initial request for reconsideration and (2) Second level appeal to an external party.
- Regulations should specify that a provider will **not** be subject to alleged overpayment repayments or recoupment while an appeal is pending.

4. Establish requirements concerning transparency, outreach and education by the Department of Social Services to reduce provider errors.

- Innocent, human administrative, recordkeeping or clerical error audit findings should be considered as provider developmental opportunities and used for helping providers improve their service and administrative processes and as opportunities for DSS web-based training/bulletins.
- Audit function should be completely independent from the DSS to avoid any conflict of interest perceptions. Audit fines should **not** go to support DSS's budget, but to the State's general fund.