

Support HB 23-1295: Medicaid RAC Audit Reforms

Reps. Bird, Bockenfeld, Sirota | Sens. Zenzinger, Kirkmeyer, Bridges



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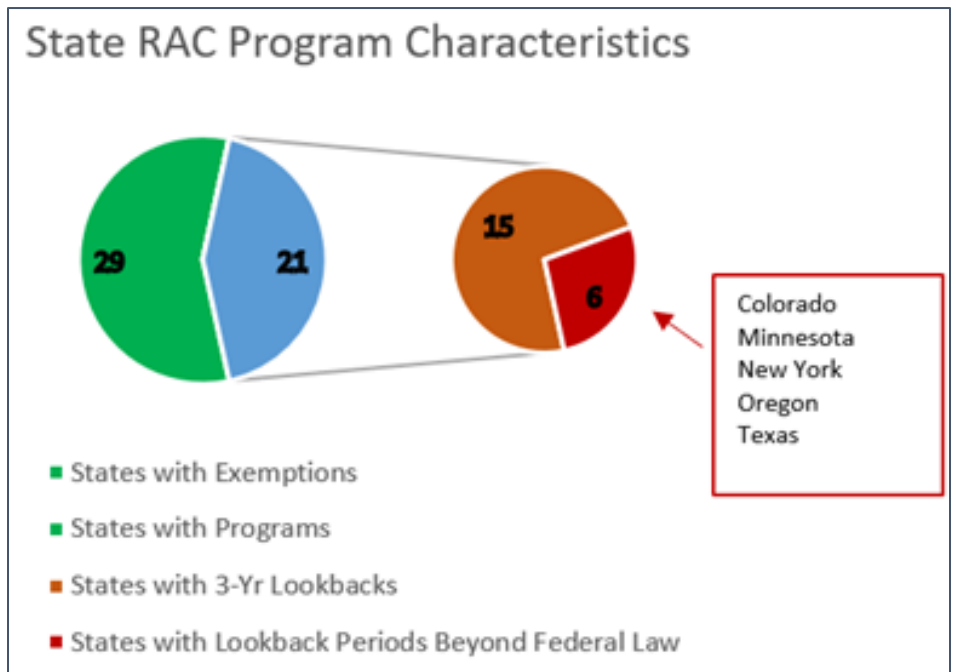
Colorado Hospital Association



Colorado's current Medicaid Recovery Audit Contractor (RAC) process is one of the most aggressive in the country, jeopardizing Medicaid provider participation and access to care.

Medicaid RAC audits, under the supervision of the Department of Health Care Policy and Financing (HCPF), are a method for ensuring Medicaid payments are appropriately made to health care providers for services delivered to Medicaid enrollees. While federal law sets basic requirements for Medicaid RAC audits (42 CFR § 455.508(f)), states have significant leeway to alter programs at the state level.

Colorado's aggressive approach to Medicaid RAC audits threatens access to care and the integrity of Colorado's Medicaid program. Over the past several years, providers have identified significant transparency, accountability, and efficiency failures that have led to considerable administrative burden, unwarranted recoupments, and considerable litigation activity – all of which increases health care costs and jeopardizes provider participation in the Medicaid program.



While Medicaid payment reviews and audits have value to ensure the state's resources are safeguarded from fraud, these reviews and audits should be warranted, effective, and efficient. Doctors and hospitals are steadfastly committed to compliance and stewardship of Medicaid dollars, but audits are incredibly time consuming and are often driven by "bounty hunting" financial incentives, without regard to patient needs and patient care actually provided.

HB 23-1295, with proposed amendments, would require a comprehensive audit of Colorado's RAC audit activity to inform critical policy discussions regarding ways to improve the provider experience and patient access and promote an "education first" philosophy by improving guidance to and engagement with providers and expanding program transparency.

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The audit would require review of:

Previous audit activity and impact on provider participation and access

Models to make providers whole for underpayments

The payment models used to reimburse the contractor and the impacts on providers

The design and effectiveness of other state programs

Colorado's aggressive lookback period