

HB 2455 -2, -3 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Meeting Dates: 3/14

WHAT THE MEASURE DOES:

Requires insurer and coordinated care organization (CCO) that reimburses cost of behavioral health treatment to make detailed written description of all audit requirements available to all providers and specifies contents of description. Prohibits claim payment recoupment if insurer or CCO has not made detailed written description of audit requirements available to provider. Requires insurer or CCO to give 30 days notice of any changes to audit requirements. Specifies parameters of insurer and CCO claim audits and recoupment demands. Prohibits insurer or CCO from compensating auditor based on percentage of overpayments recouped or in other way that creates financial incentive to identify errors that result in recoupment. Takes effect on 91st day following adjournment sine die.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Clarifies information insurers and CCOs must include in written description of audit requirements made available to providers.

-3 Requires Oregon Health Authority (OHA) to establish education unit to inform providers regarding audits or reviews conducted by or on behalf of CCOs or OHA. Removes requirement that CCO provide written description of audit requirements available to providers. Clarifies parameters of audits in medical assistance program, including application to fee-for-service claims.

BACKGROUND:

Provider audits help identify fraud, waste, and abuse in the health care system and encourage providers to use proper medical billing practices. For example, records of audits conducted of Medicare Advantage plans between 2011-'13 showed about \$12 million in overpayments for the care of just over 18,000 patients; extrapolated across the total membership of the plans audited, the overpayment amount exceeded \$600 million. While audits can reveal illegitimate or erroneous payment, complying with audit requirements also adds to the administrative cost of health care.

House Bill 2455 would impose requirements and limitations on audits conducted by insurers, coordinated care organizations, and the Oregon Health Authority of claims for reimbursement for behavioral health services.