



To the House Committee on Behavioral Health And Healthcare:

I am in full support of HB 2455, and advocate for it's approval. **Current audit practices are lending to the burnout and exiting of providers from the mental health field when we are already facing a shortage of providers through the pandemic.** I am one of those providers that am exiting partly because of a damaging audit process.

My name is Kate Kauffman, LPC, and I am owner and administrator of Brave Space, LLC. Brave Space is well known in our community for providing knowledgeable and expert care to transgender and nonbinary children, youth, adults, and their families. I am writing to share our experience of a recent insurance audit that directly influenced my personal burnout and decision to sell the business.

For context, when practices contract with a Medicaid CCO, there is NO training or orientation provided by the CCO. We are sometimes given their provider manual, and sometimes a utilization review manual if we know to request it, that has vague statements such as:

“[Health Plan] defines medical necessity and medical appropriateness consistent with both the Oregon Administrative Rules and nationally recognized evidence-based standards. All services provided to Oregon Health Plan Medicaid recipients must be medically appropriate and medically necessary. For all services, the individual must have a diagnosis covered by the Oregon Health Plan which is the focus of treatment, and the presenting diagnosis and proposed treatment must qualify as a covered condition-treatment pair on the Prioritized list of Health Services.”

Each practice is responsible for interpreting HOW to document “medical appropriateness and medical necessity.” There is little to no guidance from the CCO, and honestly from our educational institutions, when we initiate care; we instead learn whether or not we have adequately documented it during an audit, when the risk of recoupment makes mistakes severely impactful.

In late 2021, a Medicaid CCO informed Brave Space that they planned to resume audits after they had postponed them during the pandemic. They required us to submit five of our client files that they said showed “high rates of use” over the past 1 year (ie, during the pandemic). I complied with their requests for records and felt confident that my personal diligence as an administrator, and my training at a community mental health organization, would ensure that we met most documentation requirements of the CCO. However, in early 2022, we were informed there were significant findings in a few charts that required immediate correction. We complied, and I engaged in updating our policies, procedures, and training tools, as well as training the entire staff on these new protocols. In meetings with auditors, they appeared hopeful that we had complied sufficiently.

Many months passed between these immediate findings and the final audit report. During this time of silence, our anxiety about the findings was a constant background concern that impacted our feelings of security.



When the final audit report arrived in September 2022, I was quite frankly blindsided by certain findings. Especially of note, they told me in a meeting that they had adopted a new audit standard in which they expect mental health assessments (MHAs) to clearly note how the client meets every single diagnostic criteria. If they didn't, the health plan determined that those MHAs did not substantiate a diagnosis, and therefore did not meet medical necessity. In these cases, all services rendered after that MHA would be considered overpayments, and would possibly need to be paid back.

Never in my training as a therapist, nor in my work at a community mental health organization that went through many audits, was I instructed to clearly articulate and list EVERY criterion of a diagnosis. It became clear to me that a new audit standard had been adopted in recent years, and practioners had never been informed of this.

For the next 4 months I experienced personal severe anxiety and depression. The CCO required me to do an internal audit of other cases from our opening to present. **During this audit, as I used the new expectation to clearly articulate every criterion, I estimated that we would have to pay back about \$750,000 based on this audit criteria.** At this point, I requested a meeting with the health plan, as **I only could see bankruptcy as the possible option out of this.**

My inquiry resulted in the health plan holding internal meetings to determine whether their audit criteria was able to be changed. The person I spoke with said explicitly that **behavioral health practices had always been held to a more rigorous expectation of documentation than physical health practices had been**, and they wanted to advocate for a "loosened" process during behavioral health audits. While they advocated for this, they informed me that my audit results might need to be reported to OHA as "waste" or at least overpayment. This created a second spike of anxiety and depression. The next week, they informed that they WOULDN'T be reported. Many weeks later, they informed me they had successfully changed their internal audit standards, and would be reviewing my charts again from this new standard. During this time, I experienced serious emotional ups and downs, as their decision-making compromised my ability to see any future for myself in this field.

Ultimately, they significantly changed my findings, and the final audit report showed no significant findings at all. While this was a huge relief, the damage of being their "test subject" had been done, and my faith in their process is broken.

This audit has played a significant part in my burn-out from the field, and I have ultimately decided to sell the business and exit the field. This impact has significant repercussions on the transgender community: as a key stakeholder in transgender health, I had to wrestle with this personal decision as I felt I was letting the entire community down.

I implore legislators to hold insurances to a better standard in their audit processes. Thank you for your consideration.