

Submitter: Emelie Douglas
On Behalf Of: Oregon Counseling Association
Committee: Senate Committee On Health Care
Measure, Appointment or Topic: SB61

On behalf of the Oregon Counseling Association (ORCA), I strongly support SB61, which introduces critical protections for providers facing Medicaid audits. Mental health professionals across Oregon serve vulnerable communities, yet OHA's audit and recoupment practices place an undue financial and administrative burden on them, often for minor clerical errors rather than fraud or abuse. This bill ensures a fairer process that allows providers to focus on patient care rather than fearing devastating clawbacks.

Key Reasons for Our Support:

Fair Audit Standards for Documented Care

Providers should not face clawbacks when they can demonstrate that a visit occurred. This bill requires OHA to consider multiple forms of documentation—including treatment plans, chart notes, and patient attestations—before denying payment, preventing unjust financial penalties.

Protection Against Excessive Clawbacks for Billing Errors

Billing mistakes, such as selecting the wrong time code, should not result in disproportionate financial losses. This bill ensures that OHA can only recover the difference in payment rather than applying harsh penalties for simple human errors.

Eliminating Unfair Extrapolation Practices

OHA's current practice of applying audit errors across an entire patient population results in extreme financial penalties. This bill stops those broad extrapolations, requiring OHA to only recover funds for identified errors unless they conduct a more thorough audit at their own expense.

Reducing Barriers to Medicaid Participation

Many mental health providers avoid Medicaid due to the risk of severe penalties for minor paperwork mistakes. This bill helps remove that deterrent, ensuring more providers remain in the Medicaid network to serve Oregon's most vulnerable populations.

Addressing the Lasting Impact of COVID-Era Audits

Providers who rapidly transitioned to telehealth during the pandemic are now being penalized for unintentional billing errors. This bill applies retroactively to 2019, correcting unjust clawbacks that occurred due to shifting regulations and unclear guidance.

Aligning OHA's Process with Private Insurers' Fair Practices

Unlike private insurers, which focus on improving claims processes, OHA's punitive approach financially devastates providers. This bill promotes a more cooperative process that holds providers accountable for true fraud or abuse while ensuring honest errors don't result in financial ruin.

Oregon's mental health workforce is already strained. Excessive audit penalties discourage providers from serving Medicaid patients, worsening access to care. We urge the committee to support this bill to restore fairness and stability in the audit process, ensuring providers can continue offering essential mental health services to Oregonians in need.

Thank you for your time and consideration.

Sincerely,
Emelie Douglas, MA, LPC
President, Oregon Counseling Association