

Submitter: Emelie Douglas
On Behalf Of: Sprout Therapy PDX
Committee: Senate Committee On Health Care
Measure, Appointment or Topic: SB61

My name is Emelie Douglas, and I am the founder of Sprout Therapy PDX, a mental health practice dedicated to providing compassionate, high-quality care to our community. I am writing in strong support of SB61, which ensures fairness in Medicaid audits and protects providers from excessive financial penalties that could force them out of business.

Mental health providers work tirelessly to support Oregon's most vulnerable populations. Yet, the current audit process subjects providers to unpredictable and severe clawbacks, often for minor clerical errors—not fraud or misuse. This bill introduces much-needed reforms to ensure that audits remain fair and reasonable, allowing providers to continue serving Medicaid patients without fear of financial ruin.

Key Reasons for Our Support:

Fair Recognition of Documented Care

Audits often deny payment due to missing documentation, even when providers can prove a visit occurred. This bill ensures OHA considers multiple forms of documentation—such as treatment plans, chart notes, and patient attestations—before deeming a visit invalid.

Protection Against Disproportionate Clawbacks

If a provider mistakenly bills for an hour when only 30 minutes were documented, the state should recover only the difference—not impose excessive penalties. This bill ensures providers are held accountable for actual errors, not subjected to financial devastation over minor mistakes.

Eliminating the Harmful Practice of Extrapolation

OHA's ability to extrapolate audit errors across an entire patient population leads to massive, unjustified clawbacks. This bill stops that practice unless OHA conducts a larger audit at its own expense, preventing providers from being penalized far beyond the actual mistake.

Encouraging Medicaid Participation

The risk of unfair audits discourages providers from accepting Medicaid, reducing access to care for those who need it most. By making audits more reasonable, this bill helps keep providers in the Medicaid system, ensuring continuity of care for vulnerable patients.

Addressing Unfair COVID-Era Audits

Many providers rapidly shifted to telehealth during the pandemic with little guidance on Medicaid billing requirements. Now, audits are penalizing providers for billing errors made in good faith during that transition. This bill retroactively applies protections to open claims dating back to 2019, correcting these injustices.

Aligning with Fair Practices Used by Private Insurers

Unlike private insurers, which limit clawbacks to actual errors and use audits as learning opportunities, OHA's punitive approach causes financial harm to providers. This bill fosters a fairer audit process that encourages compliance and improvement rather than punishing honest mistakes.

Oregon is already facing a mental health provider shortage. Excessive audit penalties push providers away from Medicaid, making it even harder for patients to access care. This bill restores fairness to the audit process and ensures providers can continue serving their communities without the constant fear of devastating financial consequences.

I urge you to support this bill and help create a more just and sustainable system for mental health providers and the patients who depend on us.

Thank you for your time and consideration.

Sincerely,
Emelie Douglas, MA, LPC
CEO
Sprout Therapy PDX