



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 16, 2021)

Drafting Number: LLS 21-0403 Date: April 30, 2021
Prime Sponsors: Sen. Bridges; Smallwood Bill Status: House HHS
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Bill Topic: NOTIFICATION REQUIREMENTS FOR HCPF AUDIT

- Summary of Fiscal Impact:
State Revenue
State Expenditure
State Transfer
TABOR Refund
Local Government
Statutory Public Entity

The bill requires that when auditing a Medicaid provider concerning a possible overpayment, the auditor confirm the provider's contact information and provide information related to the audit via email and certified mail. It minimally increases state expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the reengrossed bill.

Summary of Legislation

The Department of Health Care Policy and Financing (HCPF), which administers the state's Medicaid program, has a process for auditing Medicaid providers to ensure correct payment for services rendered. Current law requires the auditor to provide a written notice and records request at least ten business days prior to commencing the audit. The bill requires the auditor to provide this notice through both email and certified mail. In addition, the auditor must provide the contractor with instructions, correspondence timetables, a department contact, and if applicable, information on the contractor being used to conduct the audit.

Background

Record request and recovery process. Under state law, any overpayment made by HCPF to a provider may be recovered by the department, either directly or through a contractor. When a provider has responded to the initial audit request, HCPF issues a formal records request, to which the provider has 45 days to respond. If there is no response after that time, a Notice of Adverse Action is issued to the provider, and any payment that is deemed an overpayment to the provider is subject to recovery.

State Expenditures

HCPF will incur a minimal cost and workload increase to send record requests via certified mail to about 1,500 providers per year and provide additional information concerning audits. No change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Health Care Policy and Financing