

**Testimony on HB 166**  
**by Ellen McCarthy**  
**for Ohio Association for Justice**  
**Before Senate Finance: Health & Medicaid**  
**Subcommittee**  
**May 9, 2019**

1. Thank you for permitting me to speak to you this morning
2. I am here today because Medicaid and the State of Ohio are missing out on the quick recoupment of millions of dollars they are legally entitled to recover
3. **OAJ**
  - a. President
    - i. Organization consisting of 1200 members across Ohio who represent injured Ohioians and their families; people who have been injured as a result of the wrongful conduct of another person or entity
      - (1) Auto accident is the simplest example
4. **MEDICAID**
  - a. **If a Medicaid recipient gets medical care for injuries caused by another person/entity, Medicaid pays for the care.**
  - b. **By law, the State of Ohio is entitled to be paid back. Annually, this can amount to millions of dollars the State is entitled to receive back.**
5. **OHIO LAW**
  - a. We strongly believe as a matter of principle that the money should be returned back to the State of Ohio, and returned back quickly
    - i. We are committed to complying with the law. Problem is, we cannot get Medicaid to cooperate.
      - (1) I know that is hard to believe, but I wouldn't be here if it weren't so ridiculous.

## 6. FINAL LIEN AMOUNTS

- a. Insurance companies like Nationwide, State Auto and Progressive require us to confirm with Medicaid the exact amount of money Medicaid paid for medical care. The required document is known as a final lien letter. Once the final amount is in writing from Medicaid, the insurance company will either begin negotiating with us or resolve the case with us and leave us to work out the details with Medicaid.
  - i. What is required is a FINAL lien letter stating the amount paid for medical care for the injuries at issue.

## 7. HMS

- a. Medicaid has contracted with a third party vendor, a private company known as HMS. HMS, who does this all across the country, is supposed to collect the money Medicaid paid out.
  - i. It is unknown to me at this point what the costs are to the State of Ohio for HMS to perform this work or how HMS is incentivized to procure this money.
- b. What I can tell you is that HMS is terrible at the job Ohio taxpayers are funding.
  - i. HMS fails to return phone calls;
  - ii. HMS fails to respond to requests for information in a timely manner;
    - (1) when they do respond, they resend information that has already been sent
      - (a) routinely fail to respond to the specific request
  - iii. HMS unnecessarily delays the recoupment of money to Ohio
- c. HMS has a fall back to this criticism. *Hospitals and medical providers have up to a year to submit bills for payment.*
  - i. No hospital fiscal officer would endorse a policy where the hospital waits months to bill for services. No hospital board would continue to employ billing department staff that waits for up to a year to submit bills.
  - ii. No physical therapist, doctor or other provider can remain in business if he/she fails to submit bills for services.

- iii. I am certain there are statistics on processing times that demonstrates how fast a bill is submitted by a provider for payment.
- iv. Every medical provider has a system in place to get paid as fast as humanly possible.
- v. This one year fallback position is not a legitimate excuse.

## 8. LONGSTANDING PROBLEM

- a. We have been trying to deal with this problem for at least the last 5 years. An internet portal was created in an attempt to move these claims faster. The portal does not work. I have been waiting 2 years for an response from Medicaid for a hearing on its medical reimbursement.
  - i. Hard to believe but not uncommon.
  - ii. I can bring you a multitude of stories from our members about their struggles getting money back to the State but I won't take up your time with that.
- b. In the past we have begged Medicaid for some action on this problem. In fact, last month we had a meeting scheduled with two Medicaid representatives. They canceled at the last minute and have not been available to reschedule.

## 9. SOLUTION

- a. This problem has a solution.
  - i. Impose strict deadlines for HMS to get the requested information to us
    - (1) If they fail to comply, the State can deduct the money from HMS's contract
    - (2) That alone will solve the problem within a week
      - (a) and it does not require legislation
  - ii. Designate a specific group of people to handle these specific claims in a defined time frame
  - iii. It is that simple.