

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 26-143—sHB 5354

Human Services Committee

Finance, Revenue and Bonding Committee

AN ACT CONCERNING MEDICAID PROVIDER AUDITS

SUMMARY: This act modifies the circumstances in which the Department of Social Services (DSS) can determine overpayment by extrapolation when auditing Medicaid provider claims. By law, extrapolation means determining an unknown value by projecting the results of a review of a sample of claims to the entire population of claims from which the sample was drawn.

Prior law allowed DSS to make these findings based on extrapolation if the total net amount of the extrapolated overpayment calculated from a statistically valid sampling and extrapolation method exceeded 1.75% of total claims paid to the provider for the audit period. The act raises this threshold to 2.75%.

The act also requires DSS, starting with audit review periods beginning January 1, 2027, to create and provide up-to-date educational materials and technical assistance documents to help providers with proper Medicaid billing before extrapolation.

EFFECTIVE DATE: October 1, 2026