

Chair Anderson, members of the committee, for the record, my name is Noah Reandeau and I am here today on behalf of Emdeon, one of the many companies that could provide the technologies referenced in S.B. 753.

- This short bill could save Oregon millions of dollars, during these tough budget times, by preventing unnecessary Medicaid fraud, waste and abuse.
- The federal government estimates that state Medicaid programs pay around \$18 billion annually (an average of \$360 million per state) that is attributed to fraud, waste and abuse – taxpayer money that could be used for other purposes. To combat this problem, this legislation would implement modern fraud screening and prevention solutions to detect fraud and abuse prior to Medicaid claims being paid. Common practice is to pay claims as they come in and later attempt to recover the claims that are found to be fraudulent. This “pay and chase” model is extremely inefficient, as it’s much more difficult to recover dollars than it is to deny fraudulent claims before they’re processed.
- While saving Oregon millions of dollars each year, this legislation would have no upfront costs and should have no fiscal note, since it would be based upon the industry standard contingency model.
- One of the reasons that I came down from Olympia today is that I had the pleasure of working with Rep. Kevin Parker up in Washington State last year on his House Bill 2571.
- For those of you who like college basketball, that would be the same Washington that lost to this state’s Oregon Ducks in an overtime thriller a few days ago.
- But, I wanted to share some experiences from our work in Washington that may be helpful.
- When Rep. Parker introduced his bill -- stood very little chance of passing (minority, D state)
- There were also concerns expressed by the Washington State Medical Association (our doctors). Specifically, they were concerned that the bill would delay their payments and require extra steps for them to get paid.
- The state agency charged with implementing the bill also expressed opposition and claimed that the state was already taking actions on Medicaid fraud.
- So, the bill didn’t seem to have the brightest of futures.
- But, as we worked with each of these stakeholders, we were able to address all these concerns.
- We found that rather than delaying all payments, implementing up front prevention and detection solutions to assure that only valid claims are paid, only resulted in about 1 in 1000 claims being delayed – and even these claims could typically be resolved within 24 hours. This new method also didn’t adversely burden doctors, as there wasn’t an additional step that they had to take to get paid each time they submitted a claim, there was only a single one-time registration that was necessary. And finally, while the state was doing some things to prevent fraud, there were some key items in the bill that the state wasn’t doing that could add to significant savings.
- So, in the end, this legislator in the minority’s long shot bill that seemed doomed from the beginning found unusual bipartisan support and passed 96-1 and 49-0.
- After this bill passed last year, word got around in the interim and this year, 17 other states have already introduced 39 similar bills in 2013 (including Oregon’s S.B. 753 that’s before you today).
- So, this is a very popular bill that is gaining a lot of attention around the country because of the size of the savings that can be achieved.
- As I said before, the federal government estimates that Medicaid fraud amounts to around a \$360 million problem per state. ...and I don’t want to pretend that this bill will eliminate all of that fraud. But, it does have the potential to take a significant slice out of it. So I’d urge your support.
- And with that I’d be happy to answer any questions.