

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Without Recommendation as to Passage and Be Referred to the Committee on Rules
Vote:	9 - 0 - 0
Yeas:	Clem, Conger, Harker, Kennemer, Keny-Guyer, Lively, Thompson, Weidner, Greenlick
Nays:	0
Exc.:	0
Prepared By:	Tyler Larson, Administrator
Meeting Dates:	5/6, 5/29

WHAT THE MEASURE DOES: Requires Oregon Health Authority request specific information from potential contractors and, if certain conditions are met, request proposals to establish and operate systems and technologies designed to detect and prevent improper payments in state medical assistance program. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Federal government estimates \$18 billion in annual Medicaid fraud
- “Prevention and detection” vs. “pay and chase” models of stopping Medicaid fraud
- Budget impacts of reducing Medicaid fraud

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: In 2011, the Centers for Medicare & Medicaid Services (CMS) implemented the Fraud Prevention Initiative, a tool to fight fraud and protect taxpayer dollars. The federal government estimates that state Medicaid programs attribute \$18 billion annually to fraud. Currently, the Medicaid practice is to pay claims as they are presented and attempt to recover overpayments or fraud later; this is referred to as “pay and chase” model. Proponents assert that it is more difficult to recover dollars than it is to deny initial payment claims.

Senate Bill 753 incorporates the latest technologies in preventing fraud and abuse before it occurs. 17 states have introduced similar legislation with the intent to better prevent fraud and reduce state health care costs.