

MINUTES OF THE FINANCIAL INSTITUTIONS & INSURANCE COMMITTEE

The meeting was called to order by Chairperson Senator Ruth Teichman at 9:30 a.m. on February 4, 2003 in Room 234-N of the Capitol.

All members were present except: Senators Adkins and Corbin, excused

Committee staff present: Ken Wilke, Office of the Revisor of Statutes
Dr. Bill Wolff, Kansas Legislative Research Department
Marlene Putnam, Committee Secretary

Conferees appearing before the committee: Robert Day, Director of Medical Policy, SRS
Joy Wheeler, President FirstGuard Health Plan

Others attending: See attached list

Senator Barnett opened the meeting by introducing Robert Day, Director of Medical Policy/Medicaid in the Health Care Policy Division of SRS.

Mr. Day talked about what SRS does do to prevent fraud and abuse. The claim that 10% of all medical claims are fraudulent has no data to support this statement. The 10% figure relates to perhaps as much as 10% of all medical claims are inaccurate. Such as: Incorrect service codes, diagnosis, date of service, or even incorrect dollar charge.

Mr. Day reported the figures of claims processed (see attachment 1) reporting that 87% are submitted electronically, and never require human intervention.

He reported that Medicaid is the payor of last resort. If the claim can be paid from other sources, such as Medicare or other insurance, the audit will reveal this.

It was also revealed that a new system called FAD (Fraud Abuse Detection System) will be on line in October. It contains an excellent Fraud Abuse Detection System.

Senator Teichman introduced Joy Wheeler, President of FirstGuard Health Plan. She reported that HealthWave now has a total membership of 90,000. This has been phenomenal growth and the program has been highly successful. Ms Wheeler reviewed major aspects of the Kansas operations (See attachment 2)

A question and answer session followed.

Meeting adjourned.