



TO: Senator Rod Moen, Chair
Members, Senate Health, Utilities,
Veterans, and Military Affairs Committee

FROM: Kathy Andersen, Associate Director
Public Affairs

DATE: March 15, 2000

RE: Support for SB 433

On behalf of the more than 8,000 members of the State Medical Society of Wisconsin, I wish to express our support for SB 433. Providers should be entitled to discovery in all investigatory proceedings, be it fraud or audit. Medicaid audit proceedings may have significant consequences for providers and therefore, providers should be entitled to discovery information needed to defend allegations made by the department. Absent discovery, there is a vast imbalance of knowledge that could jeopardize providers' ability to prove their cases. Further, when the department has broad access to documents in a provider's office and the provider does not have a right to discovery, as the department proposes, it drastically impairs providers' ability to exercise their right to appeal an administrative ruling.

This issue could have a dramatic chilling effect on provider participation in the Medicaid program. As the BadgerCare program expands Medicaid enrollment by tens of thousands of people and as providers continue to lose money treating these enrollees, the threat of unfair audit proceedings could be the final straw causing providers to withdraw from treating Medicaid patients.

There may be many ways to limit discovery to insure that the process is reasonable and fair for both parties. However, the department is attempting to quash reasonable efforts to achieve fairness. We urge committee members to support SB 433 so that we may engage in a full public debate regarding how best to implement or expand a responsible and fair Medicaid audit and fraud program.