

fewer trips to hospital emergency rooms, where the cost of care is much higher than at a doctor's office. In addition, a family doctor can give patients a second opinion on surgery recommended by specialists, sometimes advising against an operation.

● Making it easier for people to qualify for Medicaid assistance at home to pay for health care and housekeeping services. Funding such care at home is cheaper than paying for nursing home care.

● Promoting the use of prepaid health care systems for Medicaid patients to discourage unnecessary hospitalizations and

medical procedures.

In addition, Osborne said his department may step up its fight against fraud and abuse in the Medicaid system by coming out with a plastic magnetically coded eligibility card to be issued every three years. The card may also carry the picture of the Medicaid recipient.

Paper eligibility cards are now mailed to Medicaid recipients each month.

"Some of these cards are stolen in the mail box or sold by the person getting the card, who knows he'll get another one in a month," Osborne said.

The stolen or sold cards are often used to illegally obtain

drugs, according to state offi-

The state also has a 340-person Medicaid Fraud Control Unit, headed by Special Prosecutor Edward Kuriansky, that has collected \$24 million in fines and repayments in the past 10 years from health-care providers charged with bilking the system.

The special prosecutor's office also has civil lawsuits pending that seek to recover another \$18 million to \$20 million, said spokeswoman Sonya Hoover.

"New York has the largest fraud control unit in the nation," Ms. Hoover said. "We feel that we have a tremendous deterrent effect."

(Second of two articles)