Chair Monnes Anderson and Committee members,
I believe the legislature should pull the plug on the APAC. I don't believe this initiative is fulfilling the original legislative intent. A true marketplace has transparent prices. The APAC will undoubtedly have errors and Oregonians should deserve to review their records.

I've attached 4 documents to substantiate this:

- Email exchange with the Center for Consumer Information and Insurance Oversight regarding concerns that Milliman Inc. should not qualify as a "data center" as specified by Section 2794(c)(1)(C) of the Public Health Service Act, dated Jan. 7 2015

"Although HIPAA does not specifically refer to all-payer-all-claims (APAC) databases, to the extent permitted under federal and state law, consumers could be allowed to review their claims data if the Oregon APAC system is designed to securely identify and share an individual's claims data on request."

- Request for records form from Q-Corp to fulfill my HIPAA request to review the data they store on me in their Milliman Inc. database.
- Denial of my HIPAA request from OHA
- MOU between the OHA and Milliman Inc. (excerpt p.92)

Integrating patient information and creation of a single patient identifier across data sources. Presenting results from other implementations or pilot testing of the methods is highly desirable. The concept of crosswalking concerns the unification of disparate entity identifiers across all data suppliers. Milliman has developed successful patient crosswalks and single patient identifiers for QCORP and PSHA. A patient crosswalk is desirable simply because a patient can, and does, tend to change between health plans over time. Having a patient crosswalked to all of his or her prior identities at different health plans allows us to unify their claims and enrollment history. The requirements for this are simple. Milliman uses proprietary methods to unify the patient history and determine the most current information, including unifying persons with name changes, where possible. In essence, patient crosswalking is achievable using just patient last name, first name and birth date. In very large and geographically expansive populations, additional elements like Social Security Numbers provide tie-breaking assistance. Plans will generally be reluctant to send such explicitly identifying information unless the necessity to crosswalk patients is addressed early in the project plan and the Business Associate Agreement reflects that such information should be sent.

Kris Alman

On Sat, Mar 14, 2015 at 4:57 PM, kris alman <kris.alman@gmail.com> wrote:

Chair Monnes Anderson and members of the Senate Health Committee,

Dave Miller of Think Out Loud has figured it out. SB 891 and SB 900 won't shed a light on out-of-pocket costs that a consumer would have to pay *before or after* a premium is purchased. And creating a commission of industry insiders with SB 665 (a bill that was not discussed on the program) wouldn't impact consumer choice either.

Rather than pass any of these bills, Oregon lawmakers should remove trade secret provisions for allowed health care costs. Alternatively, Oregon could follow Maryland's lead[1] and we might see some bending of the cost curve.

Maryland has an "all-payer hospital payment system"--where every provider in the state is required to charge every payer the same price for the same service. The "reasonable costs" of uncompensated care are recognized in payment rates, and all payers contribute equitably to covering these expenses.

How can we call health care a market, when prices are not available to the consumer? Miller interviewed Senator Elizabeth Steiner Hayward and Andy Davidson, President of the Oregon Association of Hospitals and Health Systems on March 9th[2].

Senator Steiner Hayward and OSPIRG support SB 891[3]. Senate Bill 891 requires Oregon health care facilities to publicly post the prices of the top 100 inpatient and outpatient procedures (both at the facility and online) and to provide real-time price estimates for consumers on request. These price estimates would be derived from the *billed, non-negotiated* prices.

It's challenging enough to wonder which providers are in-network and what benefits are covered when purchasing a premium. It's another to wonder what the in- *or* out-of-network "co-insurance" (determined as a percentage of the *allowed, negotiated* amount) would be for any procedure or service.

As discussed in the TOL program, SB 891 would not be user-friendly way for consumers to calculate out-of-pocket costs. In 2006, health economist Uwe E. Reinhardt wrote, "The Pricing of U.S. Hospital Services: Chaos Behind A Veil of Secrecy" in Health Affairs. He pointed out that California law requires hospitals to post the cost of hospital services (the so-called chargemaster) for public review. [4] But these lists only add confusion because *allowed* amounts are generally much less than the *billed* chargemaster amounts.

Furthermore, we can already access the FH Consumer Cost Lookup, a free website that estimates "out-of-pocket costs according to what healthcare professionals commonly charge for a wide range of medical procedures, services and supplies."[5] This resource came about from a settlement, reached in 2009, following then-Attorney General Andrew Cuomo's accusation that the nation's largest health insurers manipulated data used to price care. As such, more costs were shifted to patients through balance billing.[6] Ingenix[7], a subsidiary of UnitedHealth Group, consistently understated local "usual and customary" rates that were used nationally to determine how much of a bill was paid when a patient used an out-of-network doctor.

With SB 900, Davidson wants to leverage the data collected using the APAC database. This bill would post median prices paid by the reporting entities for, at a minimum, the 50 most common inpatient procedures and the 100 most common outpatient procedures.

Dave Miller asked why he couldn't find a place where reimbursement data could be searched in the All Payer All Claims database. He asks Senator Elizabeth Steiner Hayward, "Who's against sharing this now?"

Having attended APAC technical advisory committee meetings facilitated by the Oregon Health Authority, I know the answer to Dave Miller's question. Insurance companies and hospitals guard price negotiations as their "trade secrets."[8] One of the biggest protectors of trade secrets on this committee is Bernadette Inskeep,[9] the Program Director of the APCD Implementation for UnitedHealthcare.[10] The Oregon Health Authority reassures health plans and hospitals on this work group that negotiated prices are protected by trade secret law.[11]

But Senator Steiner Hayward answered, "I don't know that anybody per se is against sharing it right now."

It's easier to blame it on providers with non-disclosure clauses. But the private practitioner is becoming a dinosaur. Providers are increasingly overwhelmed by the business of medicine where they show they are "meaningfully using" their expensive certified Electronic Health Records technology.[12]

Across the nation, doctors are increasingly employed by hospitals and health plans. Physicians have absolutely no say in negotiations between the business executives and insurance companies. Indeed, salaried physicians can't access the information either.

In 2013, the Idaho attorney general's office and the Federal Trade Commission filed a complaint seeking to block St. Luke's Health System's acquisition of Idaho's largest independent, multi-specialty physician practice group, Saltzer Medical Group.[13] Reporting the initial investigations in 2012[14], the *Idaho Statesman* noted: "The push toward electronic records systems is a frequently cited reason for physicians joining larger systems. For small practices, training, compliance and equipment hurdles can be overwhelming. One result is increasing concentration of market power."

Last year, U.S. District Judge B. Lynn Winmill denied requests made by St. Lukes Health System and Blue Cross to not reveal specific figures and percentages regarding hospital-based billing.[15] The court had found that St. Luke's would "exercise its enhanced bargaining leverage from the Acquisition to charge more services at the higher hospital-based billing rates."[16] Consequently, the St. Lukes-Saltzer merger was dissolved for anticompetitive reasons. [17]

None of these bills will address price transparency that is relevant to the consumer. Don't pass these bills.

Oh... and support HB 2828, so Oregonians can have the best option for financing health care in this state.

Kris Alman MD

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[1] http://content.healthaffairs.org/content/28/5/1395.full

[2] http://www.opb.org/radio/programs/thinkoutloud/segment/two-bills-would-increase-pricing-transparency-for-medical-procedures/

[3] https://www.thelundreport.org/content/legislation-introduced-make-sure-consumers-get-see-health-care-prices-front

[4] https://perswww.kuleuven.be/~u0010801/downloads/reinholdpricingushospitals.pdf

[5] http://fairhealthconsumer.org/medicalcostlookup.php

[6] http://www.nytimes.com/2012/04/24/nyregion/health-insurers-switch-baseline-for-out-of-network-charges.html?pagewanted=all&_r=0

[7] http://www.amednews.com/article/20090713/business/307139994/6/

[8] https://www.thelundreport.org/content/oregon%E2%80%99s-all-payer-all-claims-data-base-received-f

[9] http://www.oregon.gov/oha/analytics/APACDocs/APAC-Roster.pdf

[10] https://www.linkedin.com/pub/bernadette-inskeep/11/992/5a2

[11] http://www.oregonlaws.org/ors/743.018 ORS Chapter 743; 743.018 Filing of rates for life and health insurance; rules. (3) The director may by rule: (b) Identify the information submitted that will be exempt from disclosure under this section because the information constitutes a trade secret and would, if disclosed, harm competition.

[12] http://www.healthit.gov/policy-researchers-implementers/meaningful-use-regulations

[13] https://www.ftc.gov/news-events/press-releases/2015/02/statement-ftc-chairwoman-edith-ramirez-appellate-ruling-st-lukes

[14] http://www.idahostatesman.com/2012/03/16/2038698/idahos-st-lukes-health-system.html

[15] http://media.idahostatesman.com/smedia/2014/01/29/09/35/1dSNod.So.36.pdf

[16] http://www.natlawreview.com/article/federal-trade-commission-ftc-successfully-obtains-divestiture-physician-group-previo

[17] http://blogs.wsj.com/law/2014/01/24/ftc-wins-antitrust-challenge-against-idaho-health-system/