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**From:** Freedman, Linn  
**Sent:** Monday, May 14, 2012 3:40 PM  
**To:** ckoller@dbr.state.ri.us  
**Cc:** Caitlin Nangle; Howard Dulude; John Pothin; Jeff Swallow; kate.kennedy26@gmail.com; Leo Perrone; Mark Converse; Scott Boyd; Ross, Sandy F. CPA; Steve Gardner; VITTOJ1@mmc.org; Joanne Bilotta; Herbert Gray; Donald R. Nokes; Freedman, Linn  
**Subject:** RE: OHIC Public Input Meeting on Hospital Contracting Conditions Standard

Hi Chris,

The Board of the Rhode Island Business Group on Health has approved and hereby requests that you include the following condition in your Hospital Contracting Conditions Standard and submits this for consideration during the Public Input Meeting scheduled for May 17, 2012.

7. Provider Pricing Transparency: Include terms that allow and encourage consumers to evaluate the actual costs of provider services in view of high deductible plans and co-pay costs. Specifically, the terms should require that the insurers and hospitals provide consumers with the actual pricing and reimbursement rates for procedures, specialty services and all hospital services so consumers can make informed decisions of where to obtain such services when they are responsible for a portion of the payment for the services. The hospitals and insurers shall provide such information to consumers via electronic means in a timely manner, but in no event to exceed seven (7) days of such request.

Please let us know if you have any questions or comments.

Best,  
Linn

**Linn F Freedman**

Partner

Leader Privacy & Data Protection Group

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The Hospital Association of Rhode Island  
100 Midway Road – Suite 21  
Cranston, Rhode Island 02920  
(401) 946-7887 Fax (401) 946-8188

Edward J. Quinlan  
President

May 16, 2012

Mr. Christopher F. Koller  
Health Insurance Commissioner  
Office of the Health Insurance Commissioner  
1511 Pontiac Avenue  
Bldg. 69-1  
Cranston, RI 02920

Dear Commissioner Koller:

The Hospital Association of Rhode Island (HARI) appreciates the opportunity to provide the following comments on the hospital contracting conditions standard:

- What is your overall assessment of the hospital contracting conditions standard to date?
  - The current conditions should continue to be monitored for a longer period of time before the addition or replacement of any conditions.
  - Hospitals are committed to improving administrative efficiencies. The establishment of a workgroup dedicated to administrative simplification will help streamline processes. Care coordination has been a major focus and collaboration among hospitals. (e.g. Safe Care Transitions)
- To what extent, if any, should the conditions be revised to align more closely with changes to the way in which Medicare pays hospitals?
  - Many of the changes being implemented as a part of the Affordable Care Act are beginning in FY 13 or FY 15. These new quality programs should be evaluated prior to expanding complex payment policies to the commercial sector.
  - Uniformity among clinical quality and other measures between government and commercial payers should be encouraged.
  - If there is any alignment to Medicare by commercial payers, then other Medicare payment policies should be considered.
    - Ensure reimbursement for medical education and disproportionate share.
    - Reimbursement for bad debt write-offs related to copays, deductibles and coinsurance. Hospitals had \$28 million of bad debt from commercially-insured patients in FY 2011.
    - Incentive payments for the adoption of HIT.
- Do you have recommendations for other changes in the conditions?
  - Unrelated to the specific conditions that focus primarily on hospital payments, we encourage the following:
    - Increased efforts for health planning.
    - Require health insurers to collect information identifying the primary care provider for enrollees and dependents for purposes including, but not limited to, benefit plan design focused on primary care, public health and tiered benefits.



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**Edward J. Quinlan**  
President

The HARI Board of Trustees is committed to a continued and broader engagement on these important policy matters.

Sincerely,

A handwritten signature in cursive script that reads "Edward J. Quinlan". The ink is dark and the signature is fluid and legible.

Edward J. Quinlan  
President

**HealthInsInquiry - Public comment on the hospital contracting conditions standard**

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**From:** G Alan Kurose <akurose@coastaldocs.com>  
**To:** ""healthinsinquiry@ohic.ri.gov"" <healthinsinquiry@ohic.ri.gov>  
**Date:** 5/18/2012 8:58 AM  
**Subject:** Public comment on the hospital contracting conditions standard  
**CC:** ""Christopher Koller"" <ckoller@ohic.ri.gov>

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I am writing to suggest that the hospital contracting conditions standard be amended to include language that would promote transparency of pricing for the broad range of inpatient services at each facility. I would advocate that confidentiality clauses related to pricing specifically be prohibited. Consumers who are on high deductible plans and paying out of pocket deserve to have ready access to information about both the price and quality of services they are paying for. Provider groups like Coastal that are striving to responsibly manage the total cost of care for populations of patients need to have ready access to information about cost and quality in order to make rational decisions along with patients about their utilization of services.

Healthcare costs now approach 18% of the GDP. This circumstance is not sustainable. Informed decision making by consumers and their healthcare providers is a much better way to control costs than alternatives such as across the board cuts in benefits and cost shifting to consumers. Transparency of pricing is essential for meaningful payment reform to succeed.

G. Alan Kurose, M.D.  
President and CEO, Coastal Medical

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Christopher F. Koller  
Health Insurance Commissioner  
1151 Pontiac Avenue, Building 69-1  
Cranston, RI 02920

RE: Hospital Contracting Conditions - Request for Public Input

May 21, 2012

Dear Commissioner:

Blue Cross & Blue Shield of Rhode Island (“BCBSRI”) has supported the OHIC hospital contracting conditions since their initial adoption as part of the 2010 Group Rate Factor Review (the “Conditions”). As we have frequently discussed, these changes are difficult and take time, but your leadership in this area has led to real change.

The Conditions have advanced the critical goals of affordability, quality, and accountability within the context of payer and hospital contractual relationships. In fact, the Conditions have accelerated the rate at which these critical changes have been implemented.

The Conditions have been an incredibly effective tool in our negotiations with hospitals. As you know, however, the timing of renewal of each hospital contract has not allowed for all of our hospital contracts to conform to the Conditions. Over the next year we will renegotiate our contracts with the majority of hospitals in Rhode Island and, in doing so, our contracts will be in compliance with the Conditions no later than January 1, 2014. We believe it is important to take the steps outlined in the current Conditions with each hospital before making further material changes.

In the spirit of identifying new opportunities to expand upon the Conditions, we suggest a modest adjustment. The Conditions could establish an additional expectation that certain industry accepted quality and safety standards included in hospital agreements and the related results be made available to consumers of health care services. A slight modification to the third condition could make this stronger link to public transparency.

Finally, it is critical to note that the effectiveness of the Conditions is wholly dependent upon the uniform enforcement of the Conditions across all carriers and hospitals in Rhode Island. We continue to be concerned about the potential of litigation being brought to stay enforcement of these Conditions for any hospital or insurer.

We appreciate the opportunity to provide comments regarding the Conditions. Please do not hesitate to contact me or Mark Waggoner if you have any questions or would like to discuss the conditions further.

Be Well,

Peter Andruszkiewicz  
President & Chief Executive Officer

**RECEIVED**

MAY 24 2012

**Health Insurance  
Commissioner**