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March 1, 2013

**ATTN: Senate Committee on Health Care and Human Services**  
Sen. Laurie Monnes Anderson, Chair  
Sen. Jeff Cruse, Vice-chair  
Sen. Chip Shields  
Sen. Elizabeth Steiner-Hayward  
Sen. Tim Knopp

In January 2008, I opened Spine Surgery Center of Eugene, LLC – an Ambulatory Surgery Center. We passed all certification standards and became licensed by the State of Oregon, certified by Medicare, and credentialed by the American Association of Ambulatory Healthcare (AAAHC).

Our goals for SSC were to: 1) provide excellence in surgical care, 2) reduce costs for patients, 3) implement the highest standard of care available through careful selection of equipment and spine devices, and 4) provide a great work place for staff members.

In the 5 years we have been open, we have exceeded these goals, demonstrated by superior certification surveys, our patient satisfaction rates (averaging above 95%), a miniscule number of infections (2 in five years) and almost no post-surgical complications.

Therefore, it has been astonishing that major insurance companies decline to offer realistic contracts to SSC. In spite of the fact that our charges for spine surgeries are significantly below hospital charges, and that the average payment to a hospital is 80% of their charges, major insurers offer SSC contracts at 25% of charges. Just one example: average hospital charges are \$45,000 for a two-level Anterior Cervical Disc Fusion (ACDF) and insurers pay them \$35,000 (80% of charges).

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SSC's charge is \$40,000; average payment out-of-network payment is \$25,000 (62.5%) – already a significant reduction in cost for insurers. The surgery requires implants that cost \$8,000. Contracts offered by major insurers are \$9,000 (22.5%) with no payment for implants.

When we do not sign these below-cost contracts, insurers penalize us by sending payments for our surgeries to our patients, requiring us to incur additional administrative and billing costs to recover this money. This creates an adversarial relationship with our patients. Of primary importance is that we concentrate on patient care, to gain the trust and confidence of our patients so that we can help them with post-op recovery. Instead, we have to focus on recouping money sent to the patient by the insurance company. This changes the entire patient-surgeon dynamic and denigrates the patient's confidence in our care by redirecting it to our attempts to collect our earned payment.

Please support and pass Senate Bill 366, to stop insurers from sending the providers' checks to the patients.

Sincerely,



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Medical Director

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