

2/25/2015

Members of the Oregon Senate Health Care Committee

Testimony for Health Care Committee Re: SB 18

Dear Senators:

Thank you for this opportunity to ask you to support SB 18. I am writing on behalf Oregon Patients Rights Association to ask you to remove the anti-trust protections for Coordinated Care Organizations (CCO).

Oregon Patients Rights Association (OPRA) started in Douglas County in 2012* because of concerns regarding the move to consolidate healthcare services and the monopoly it would create in our community. One of our concerns was the anti-trust protection the legislature allowed in the law that created CCOs. Our concern was that such a law provided a greenlight to create private monopolies to control, not only healthcare costs, but the entire healthcare system. Although this may not have happened everywhere, in Douglas County, this is exactly what has happened. It is why you must act now to stop it by supporting SB 18.

The problem with CCO monopolies in communities like ours is not just the monopoly it creates for Medicaid recipients but the monopoly it creates for all healthcare services in our community no matter how one pays. Unfortunately the provision in the law creating CCOs that allows them to be exempt from anti-trust laws has created a monster that controls the market, dictates policies, interferes with the doctor/patient relationships, ignores patients' rights, and pretty much does what it wants at patients' and taxpayers' expense. This can only happen because the monopoly is sanctioned by the state.

Pretty much all healthcare in Douglas County is controlled by two players: Architrave (created by physicians group DCIPA and Mercy Medical Center) and Mercy Medical Center alone. Together they are squeezing out the competition and dictate healthcare.

Today—only after two plus years of forming, the monopoly CCO, UHA now dictates medical practice policies for all patients, controls the market in durable medical equipment and supplies, provides the only source for physical therapy, saves money by denying legitimate medical services and interferes with the doctor / patient relationship.

Medicaid transformation has had a devastating impact on our local community by allowing medical monopolies without appropriate oversight and protections. These reforms have infected the medical practices of almost every provider in our community, especially those who want to be part of the provider network associated with Architrave Health LLC, which is pretty much all of the providers here and owns our local CCO, Umpqua Health Alliance (UHA).

Architrave not only owns the local CCO, it is also part owner in our county's largest Medicare Advantage Plan ATRIO. Created by the local doctors group DCIPA, ATRIO and UHA share providers and policies under the umbrella of their parent company Architrave.

Although ATRIO claims on its website that "ATRIO's members will benefit from this unique relationship between ATRIO and Umpqua Health Alliance", what we have seen is a detriment to not only ATRIO (Medicare beneficiaries) but to patients who have private insurance or pay cash. We have seen policies that dictate the practice of medicine and the 150 so providers ATRIO and UHA tout as being on their lists can do little to stop it because Architrave (UHA, DCIPA, ATRIO) is the only game in town for them as well. We have to be concerned that Douglas County's inability to keep recently recruited primary care providers might have something to do with this.

Here are two issues that you can help address by supporting SB 18 and other efforts for transparency and accountability when it comes to taxpayer funded healthcare services.

Reduced Choices for Medicare Beneficiaries:

The impact of the monopoly created by the local CCO has resulted in fewer and fewer choices for Medicare beneficiaries. Yes, Medicare. Douglas County seniors have fewer choices regarding Medicare plans because of the CCO law even though the law was not intended for them. This is because the state sanctioned CCO monopoly is owned by a company that also owns part of the Medicare Advantage Plan (ATRIO).

ATRIOs owner's control of the medical market here means that ATRIO has the lion share of Medicare Advantage Plan members. Not because they provided the best service and the lowest cost, but because one cannot get a doctor as a primary care provider otherwise. This has reduced the number of other Medicare Advantage Plans in our community.

The problem is so well known that folks in the SHIBA** program and the State Senior Services office steer Medicare beneficiaries to ATRIO because they know there really is very little other choice.

If CCO providers were not protected from anti-trust violations, they would not be making the choice to take ATRIO patients at the exclusion of others because they could be subject federal anti-trust claims. The only reason they are protected now is due to the state law that SB 18 is trying to fix.

Durable Medical Equipment & Supplies:

A few years ago, we predicted that in less than 10 years the independent Rick's Medical supply would be out of business with only Durable Medical Equipment (DME) companies in our community would be owned and controlled by Architrave (or one of its owners, Mercy). Although Rick's is still around, it no longer provides DME for CCO members or for ATRIO health plan members. This is left to:

- DMES = Architrave & DCIPA Board member is CEO.
- Parkway Medical Supply = Mercy owned.

These are just two examples of the problems related to monopolies. The state has a duty to protect us from them, not sanctioned them. The problems can only be stopped by legislation like SB 18. Please support it.

Thank you for your time and consideration.

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Note:

*Although Oregon Patients Rights Association is grassroots volunteer advocacy group located in Douglas County, we help anyone in the state regarding access to taxpayer funded healthcare benefits and represent the interests of healthcare consumers throughout the state. Our volunteers are involved in do both individual and systemic patient advocacy.

**SHIBA is federally funded program to provide information to seniors regarding Medicare options. SHIBA programs operate throughout the state. The information re ATRIO was provided to our volunteers by our local SHIBA program.