



**Government
Fraud**

Taxpayers

**Corporate
Fraud**

Consumers

Health Care Reform

The Consumer Reimbursement System:

CODE BLUE



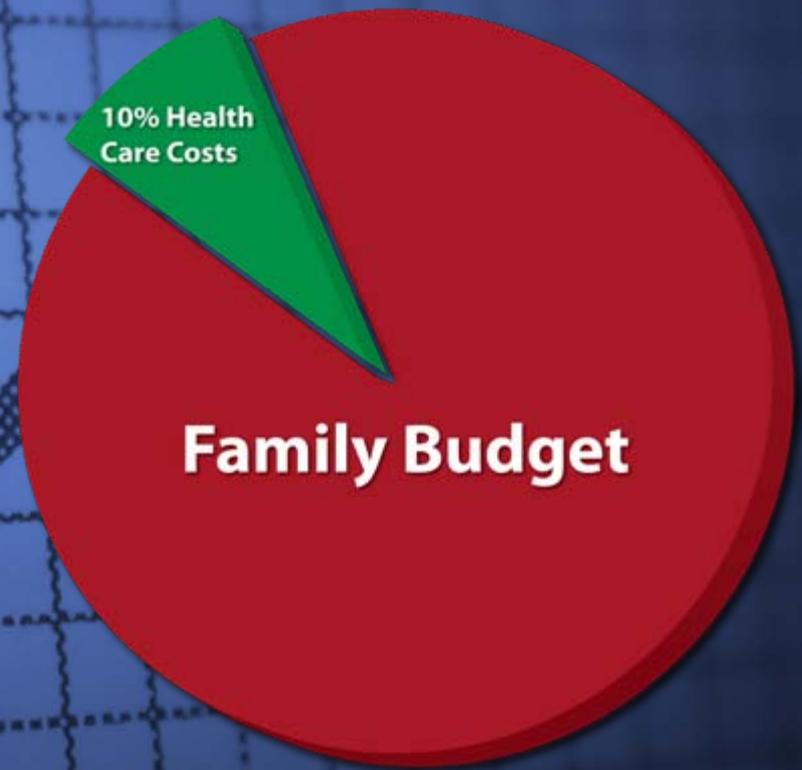
Consumer Complaints

- Health care is the number one concern of consumers in New York



Health Care Costs – Burden on Working Families

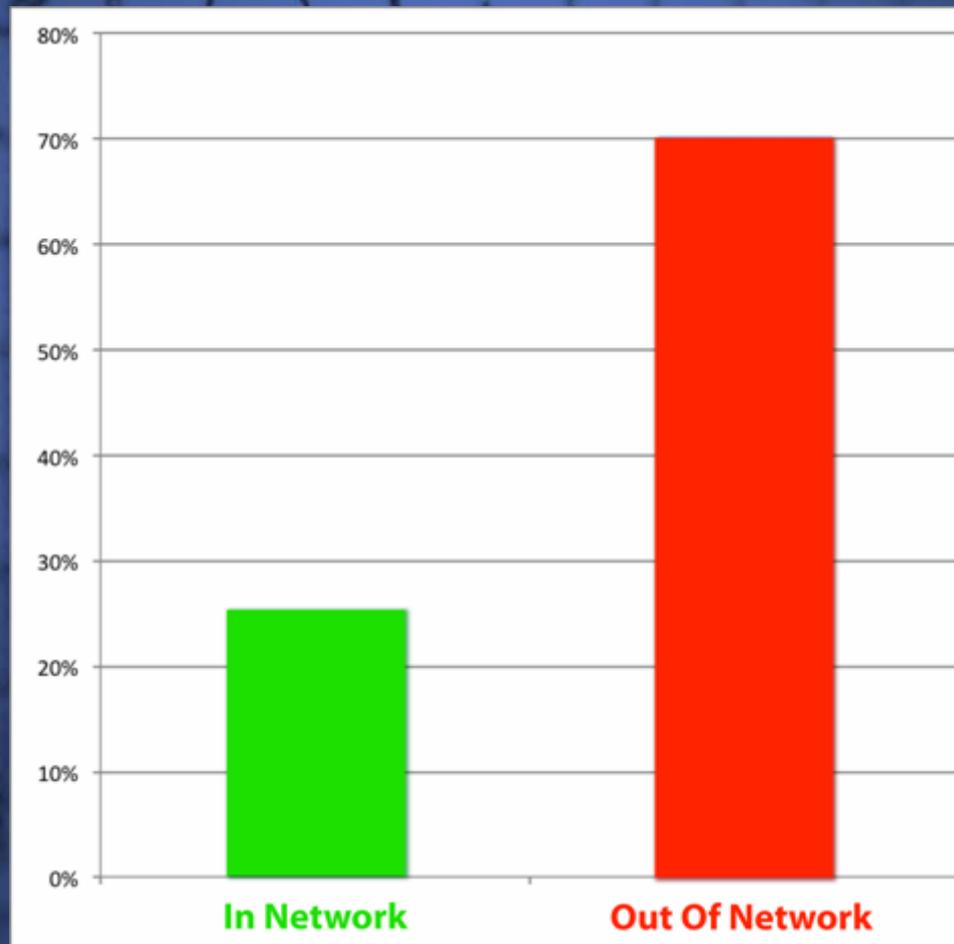
- Ten percent of the family budget goes to health care costs
- Health care costs are the number one cause of individual bankruptcy



Two Kinds of Health Insurance Coverage

- **In network**
 - Doctor has contract with the insurer
 - Cheaper for the insurer
- **Out of network**
 - Doctor does not have contract with the insurer
 - More expensive for the insurer

70% of insured working families have out-of-network plans that let them choose their own doctors



Out of Network

- Consumers pay higher premiums for out-of-network plans
- Insurer agrees to pay based on the “*usual and customary rate*” of the service
- Consumer is responsible for the remaining balance

What is Usual and Customary Rate

- “The usual and customary” rate is supposed to be a fair reflection of the market rate of doctors across the country for all kinds of medical services



* Dollar amount is for similar standard doctor visits

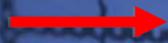
Who Decides “Usual and Customary” Rate?

- For 10 years, “usual and customary” rate has been decided by one data company

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Who Do Insurers Use to Decide Usual and Customary Rate

Aetna



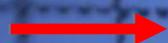
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CIGNA



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UnitedHealth



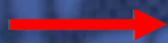
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Wellpoint
(Empire BCBS)



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CDPHP, Excellus,
GHI/HIP, HealthNow,
Independent Health,
MVP/Preferred Care
and other NY insurers



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Dozens of others
in the U.S.



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Where Does Ingenix Get its Information From to Decide Usual and Customary Rate

Aetna



CIGNA



UnitedHealth



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Who is Ingenix?

Aetna

Cigna

UnitedHealth

Wellpoint
(Empire BCBS)

Excellus, HealthNow,
and other NY insurers

Dozens
in the U.S.



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Usual and Customary Rates Are Controlled by the Industry

Health Insurers

Closed System

No Option for Consumer

Difficult to Detect

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“Black Box”

- Ingenix is a “black box” for consumers
- They do not know the price before they shop
- Drives up costs because consumers cannot comparison shop



Blank Check

- They have to write a blank check for health care costs without knowing how much insurer will pay
- Adds insult to injury



Why Does This Matter?

- 110 million people
- Ten years
- Health care is a matter of life and death



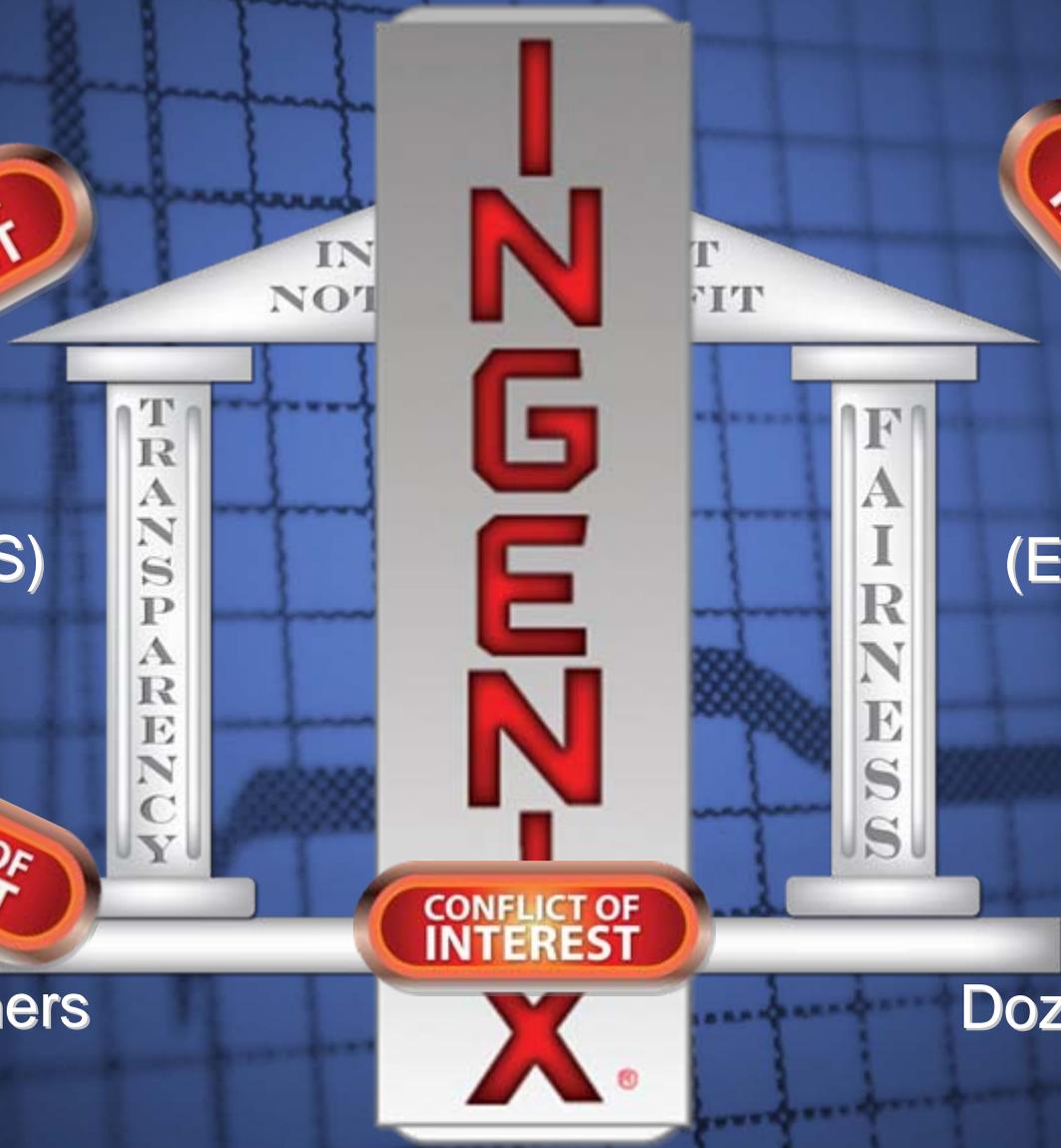
What is the Solution?

- Not-for-profit entity will create new independent database
 - Credible source for consumers
 - Not controlled by the industry
 - Determine rates fairly reflecting the market



Ending the Conflict

Aetna
Cigna
UnitedHealth
Wellpoint
(Empire BCBS)
Excellus,
HealthNow,
and
insurers
Dozens of others
in the U.S.



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Consumer Website

- Not-for-profit entity will set up website for public to get reimbursement rate information
- Consumers get information before they shop for doctors



How to Achieve It

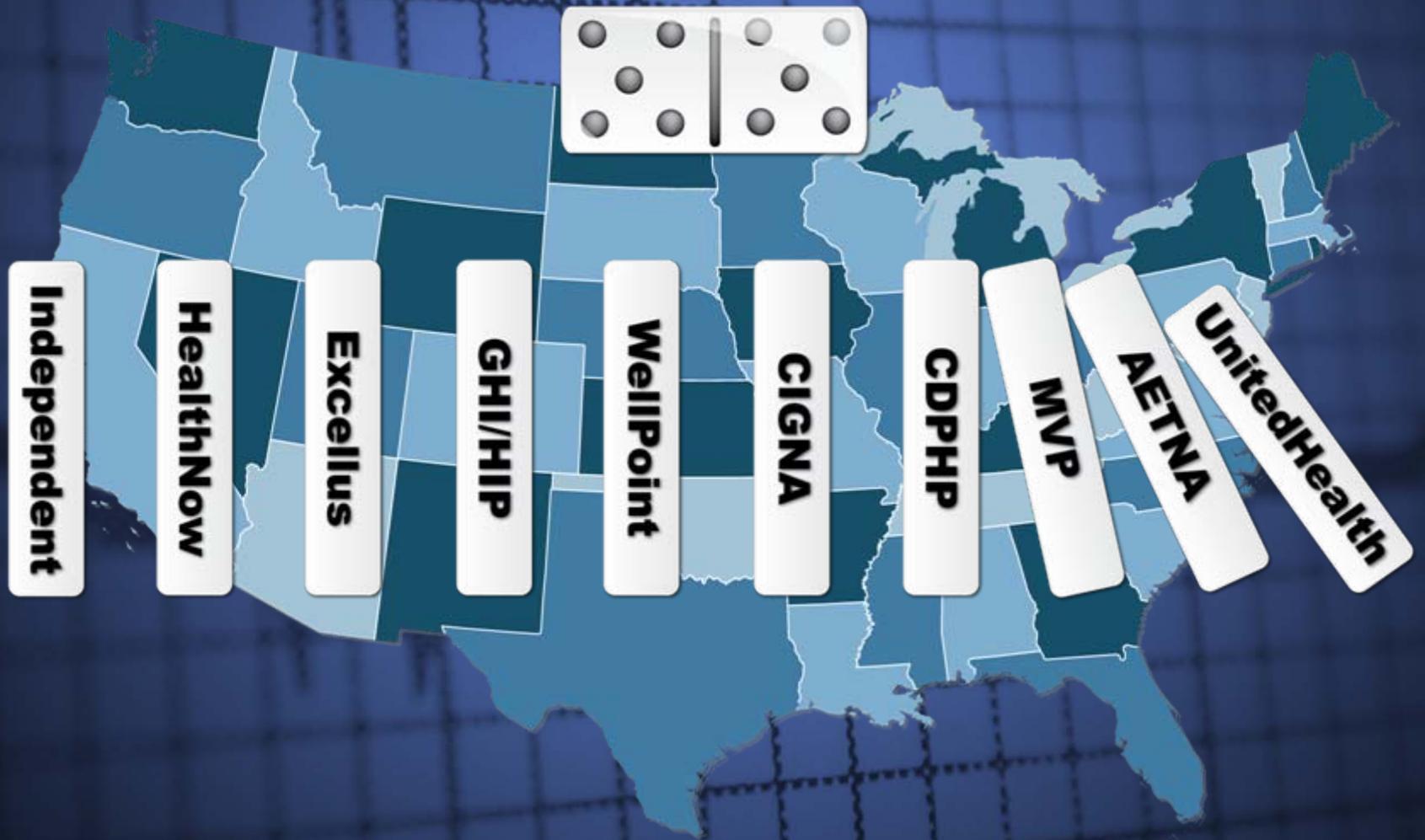
Step 1

- UnitedHealth will pay \$50 million to a not-for-profit entity to establish a new independent database
- When the new database is ready, Ingenix will shut down its database
- Target date: six months

ACCOMPLISHED

Step 2

We Will Not Rest Until We Have
National Industry Wide Reform



Step 2

We Will Not Rest Until We Have
National Industry Wide Reform



Independent

HealthNow

Excelsus

GHI/HIP

WellPoint

CIGNA

CDPHP

MVP

AETNA

UnitedHealth

Step 3

New Regulations to
Institutionalize the Reform

A Clean Bill of Health for Patients

Medical Bill

Citizens of New York
New York

PAID

DUE FROM PATIENT

Citizens of New York

Medical Bill form with a large red 'PAID' stamp and a 'DUE FROM PATIENT' label. The form includes fields for patient information, insurance details, and payment status. The 'PAID' stamp is prominently displayed in the center, indicating that the bill has been settled. The 'DUE FROM PATIENT' label is located below the stamp, pointing to the patient's responsibility for payment. The form is titled 'Medical Bill' and is issued by 'Citizens of New York'.