

P. EVALYN COLE, MHSA, CASC

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June 5, 2015

TO: Whom It May Concern

RE: Comments regarding the Trillium Sale to Centene

To provide a bit of background - I live in Marion County, and for the past 8 years, I have worked full-time in upper level management in the medical/surgical community in Lane County.

In 2011, Community Care Organizations (CCO's) were established to allow each county to decide the best method of providing healthcare for its residents who are at or below the poverty line. In Lane County, that is approximately 100,000 people. Former Governor Kitzhaber recommended a 12% increase in spending for Human Services for the 2015-2017 biennium, with the statement that, "Every dollar saved on unnecessary health expenses is a dollar that can be reinvested in children, families and education, creating jobs and building statewide prosperity." In addition, Oregon raise payroll tax from 9% to 11%.

If the sale of Trillium is approved, it would appear that the 12% increase will not be reinvested in our "children and families" but in a corporation whose ownership is in another state. The additional 2% payroll tax that was appropriated from each citizen's payroll to help fund CCOs, will be part of this out-of-state corporation's funds that will go to pay Centene's CEO a \$14.5 million salary.

As is often the case, the huge profits experienced by Trillium have been mostly accomplished on the backs of providers of healthcare and by delaying or denying health services to those who need it most but can least afford to pay for it. Healthcare providers agree that Medicare payments are barely a breakeven situation. The rates paid to healthcare providers in Lane County by Trillium CCO average 25% below Medicare.

Some of the most expensive (and most effective) medical care is surgery to relieve spine pain. A very common procedure - a laminotomy - is a surgery that removes a tiny piece of spine bone that is pressing on the nerve root causing pain that is so severe it can restrict a patient's activity. In Lane County, a spine surgeon is paid \$1,011 by Medicare for a Laminotomy. Most of the time, Trillium will not authorize spine treatments or surgery because it is seen to be "chronic"

and judged as "elective" or not required to preserve life. On the rare occasion Trillium CCO does authorize this surgery it pays the surgeon \$757. So the surgeon is effectively asked to absorb part of the cost for doing this surgery on a CCO patient. This is a very simplistic example of how the CCO healthcare budget is allocated in Lane County.

On Friday, June 5th the Register Guard stated that Trillium's profit in 2014 was \$22 million dollars. Why would the CCO be accruing such profit when the resources for healthcare are so limited? Something is wrong with this picture!

Now the proposal is that Centene purchase Agate, Trillium's parent company, for \$130 million dollars. A company like Centene is only willing to make such an offer based on the projection of future profits, which will mean more reductions in payments to healthcare providers, and more reductions in authorized services to patients!

A responsible state will work to keep healthcare controlled by its citizens and to deny the authorization for this sale. Bigger is often just that, but often not more productive or efficient.

Sincerely,


P. Evalyn Cole, MHSA, CASC