

June 8, 2015

I am opposed to the sale of Agate/Trillium to Centene Corporation. I have been a family doctor (primary care provider) in Lane County for 20 years. I previously served as a board member of Agate/Trillium and was president of the board at its inception in 1997.

Agate has posted record profits the last 2 years while failing to provide a primary care physician for roughly 13,000 residents. Agate enjoys a monopoly for contracting with providers of Medicaid Oregon Health Plan and has taken full advantage. My practice, Thurston Medical Clinic, ended our relationship with Agate for Oregon Health Plan patients because of the extremely poor reimbursement. Currently, payment schemes include complex formulas, withholds, bonuses and other perverse incentives. Payments are frequently delayed up to 15 months and audits with claw-back provisions are common. These payment methods are too complicated for small practices to administer. In the 5 years since we resigned, they have refused to discuss any alternatives. A quick telephone call to another contractor in Portland confirmed that Agate reimbursement remains roughly 1/3 the amount paid in Multnomah County for similar primary care services. Payments there are simple and timely.

It is the monopoly of Agate and their refusal to change payment practices that is partially responsible for the primary care shortage in Lane County. John Lively, Oregon House representative for Springfield has introduced HB 3300. This is a legislative attempt to further leverage primary care physicians in Lane County into accepting unfair contracts from Agate for Oregon Health Plan. Agate publicly supports HB3300. More local doctors would participate with Oregon Health Plan if contracts valued our care. There is no primary care physician shortage in Portland where better contracts exist.

The vast majority of profit generated by Agate is from the Oregon Health Plan. Agate profits are taxpayer dollars intended for medical services. The initial intention at Agate/Trillium was for profits to be returned to local physician shareholders to narrow the gap between Medicaid Oregon Health Plan reimbursement and commercial payers. Those dollars remained in our local community and enabled practices to recruit quality physicians. The profits were not intended for dividends to out of state corporations such as Centene. There is currently no legal requirement that a specific percentage of payment to contractors such as Agate be utilized for medical services. Agate has demonstrated the willingness to allow Oregon Health Plan beneficiaries to remain without a physician in order to increase profits and staff salaries. There is no reason to expect Centene would be any different.

I asked that you block the sale of Agate to Centene. Keep Oregon taxpayer dollars in Oregon to care for Oregonians.

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