



## Office of the Inspector General Commonwealth of Massachusetts

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### **Division of Insurance Health Plan Informational Hearings- Inspector General's Recommended Questions for Insurers Relative to Provider Contracting & Network Management, December 2009**

1. In terms of total dollars spent annually by your company on specific health care procedures (including all hospital, physician, and other related costs for those procedures), what currently are the 25 most costly outpatient and 25 most costly inpatient procedures for which you pay? How much did you pay in aggregate for those procedures in calendar year 2006, calendar year 2007, and in calendar year 2008? If more recent data for a 12-month period are available, how much did you pay in aggregate for those services in the most recent 12-month period you have available?
2. For each procedure identified in #1 above, please identify the following:
  - a. The reimbursement rates, effective January 1, 2007, January 1, 2008, January 1, 2009, January 1, 2010, and January 1, 2011, for each provider group whom you reimburse for that particular procedure. If multiple provider groups (e.g., hospital group, physician group, etc.) are reimbursed for different parts of that procedure, please list for each part the separate reimbursement rates for each group and describe the services provided for those rates.
  - b. For each provider group whom you reimburse for that particular procedure, what was the volume of services performed in calendar year 2007 and reimbursed by your company, and what was the corresponding total dollar amount associated with that procedure that your company paid to the provider group? If multiple provider groups (e.g., hospital group, physician group, etc.) are reimbursed for different parts of that procedure, please list for each part the volumes and total dollar amounts for each provider group and describe the services provided by the group.
  - c. Please answer 2(b) above for calendar year 2008 and also for the period from January 1, 2009 to the present.
  - d. Please list the current ratio of the highest reimbursement rate to the lowest reimbursement rate for the procedure. If multiple provider groups (e.g., hospital group, physician group, etc.) are reimbursed for different parts of the procedure, please list for each part the ratio of the highest reimbursement rate to the lowest reimbursement rate and also describe the services associated with that part.

3. Please describe all efforts by your company to limit the reimbursement levels for health care services.
4. Please describe all efforts by your company to cause health care services to be performed by providers who are reimbursed at lower than average levels.
5. When negotiating a contract with a provider system, what data and information about the underlying costs of the provider system do you rely upon? Do you ask for such data and information from the provider system itself?
6. When negotiating a contract with a provider system, does the provider system justify its underlying costs to you? If so, what information does the system make available to you to justify its underlying costs? If not, what forms the basis for the system's requested rates?
7. Please provide any information you have regarding all of the underlying costs of each provider system that you reimburse for health care services. In particular, for each provider group, please provide a breakdown of actual costs and trends in those costs over the past five years, including, but not limited to, the following costs: medical malpractice insurance, health information technology, hospital executive compensation, labor rates for hospital staff, physician compensation, construction, and medical supplies.

If your company believes that answers to any of the above questions need to be submitted confidentially, please explain why in detail.

For more information on the hearings see [Health Plan Informational Hearings](#)