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Dear Patient:

It is a privilege to have you as a patient. We are committed to your well-being, take pride in providing the best care possible, and strive to be accessible. Our goal remains to provide unsurpassed cardiovascular care. We believe this approach has made us the premier cardiology group in the area.

Continuing cuts in insurance reimbursements to us by Medicare, Blue Cross and other insurance companies have forced us to modify our practice model. In 2010, and again in 2011, Medicare and many insurance plans slashed cardiology payments on an unprecedented scale. For instance in 2009 Medicare directly paid us \$110.74 for a mid-level new patient evaluation, for which we traditionally have scheduled one hour. In 2010 payment was reduced to \$87.07. Even more drastic reductions have occurred for cardiovascular diagnostic studies. These reimbursement amounts are dictated to us, and we are not allowed to collect more. Such low rates are incompatible with maintaining a high-level cardiology practice and would not allow us to meet your expectations for comprehensive personalized care. These cuts also imperil our ability to provide ongoing *pro bono* services to the less fortunate in our community, as we do for patients from the Venice Family Clinic.

We currently allocate twice the time for a physician visit than is typical in the United States. In addition, Pacific Heart Institute does not receive payment for many services we have customarily provided. To continue to offer the highest level of service, we considered and rejected the option to stop accepting insurance plan reimbursements altogether. We strongly believe that you should be able to use the health insurance you have earned or purchased. In order to continue to accept your contracted insurance rates while maintaining a superior level of care, we must now charge for uncovered services.

As outlined on the next page, we offer three annual Options for access to non-covered services at Pacific Heart Institute. Whether or not you choose to enroll in one of these Enhanced Access Options, you and your insurance (including Medicare, if applicable) will still be charged for covered services and tests we perform. If you do not choose one of these Options we will provide you with medically necessary covered services. However, unreimbursed services previously provided may only be available to those who enroll in an Option. To reduce costs we may also have to limit availability of certain covered services. We will provide non-participants with timely referrals to other providers to obtain these services when appropriate and necessary.

Please return the enclosed agreement with payment, indicating your choice of Option and do not hesitate to call should you have any questions. These Options will allow us to continue to provide personalized services of the utmost quality to you and your loved ones.

Thank you,

The Physicians and Staff of Pacific Heart Institute