

## GREG KAZARIAN OPENING STATEMENT

May 30, 2012

Good Morning Mr. Chairman. My name is Greg Kazarian, and I am the Senior Vice President of Operations and the Corporate Responsibility Officer at Accretive Health. I came to Accretive Health in 2004 because I believed in the company's mission and its vision for helping patients and hospitals navigate the challenge of rapidly rising healthcare costs. I came to Accretive Health because I saw a tremendous opportunity to make improvements in a broken and struggling healthcare system.

I am 49 years old, and I have a wife and three children-- between us we have four aging parents. As a family we have experienced all of the usual medical issues that families experience every day. I know firsthand how important high-quality compassionate care is. And I know firsthand how important it is that patients understand what insurance and public

assistance they are eligible for, as well as their own financial obligations for their medical care. There are three things I'd like to cover quickly in these opening remarks.

First, I want to thank you, Senator. Thank you for inviting us to speak with you today, for the time your staff has spent with us discussing these issues, for your willingness to listen, and for your efforts to have an open and honest discussion as to how healthcare can -- and should -- be improved. I thank you on behalf of myself as well as the three thousand employees who work at Accretive Health. Approximately 150 of those employees live and work right here in Minnesota. These individuals work as nurses, financial counselors, and social workers. A number of them have chosen to attend this hearing voluntarily, on their own time. With your permission Senator, I would like to ask those who are comfortable doing so to stand up for a brief moment. It is important that the work of these trusted, dedicated colleagues be

understood and appreciated, and that is something I'm going to try to achieve in our time today. Thank you.

Today I want explain What We at Accretive Health Do. I suspect that many people in this room had never heard of Accretive Health before the last few weeks. Unfortunately, we've been portrayed in a way that distorts and misrepresents our business and our work. True "debt collection" is less than one percent of what we do. The core of what we do every day -- everywhere we work -- is help hospitals find all available coverage for patients, and ensure that insurance companies and government programs pay the hospitals the money they are owed for the care they provide. For example, we go to bat for patients who have been denied insurance coverage for pre-existing conditions. We advocate for patients when their insurance company refuses coverage for conditions that are medically necessary. We fight to get patients who qualify on disability.

Over 95% of the revenue we secure for hospitals come from insurance companies or government payors.

As part of our work, we also help hospitals collect the amounts due to them from their patients, and we help the patients themselves understand the coverage they have and are eligible for. This is information patients want to know and need to understand.

We are proud of the work we do, and particularly proud of the fact that we have helped more than 250,000 formerly uninsured people obtain coverage for their care, (over 16,000 of them right here in Minnesota). And for those who cannot pay, and for whom we cannot find another source of coverage, we assist hospitals in getting those patients charity care and other financial counseling, including discounts and payment plans.

The work of our Quality and Total Cost of Care program is another point of great pride for us at Accretive Health. In this ground-breaking program, we help care providers identify and

reach out to the sickest patients they serve and coordinate their care, and the services provided to them, in a way that improves their health and reduces the need for costly emergency room visits. For example, by connecting social workers with homebound patients or patients who are vision impaired, we can create safer living environments that reduce accidents. For patients with insufficient social networks and those with memory problems, we coordinate transportation to pharmacies and to doctors' appointments so these patients don't get sicker. I sincerely hope to have an opportunity to talk today in more detail about this very important part of our work.

The final comment I would like to make is perhaps the most important. Accretive Health is a Company that believes our mission is to help patients and strengthen the financial viability of the not-for-profit hospitals we serve. We work hard to address some of the most difficult problems facing the health care industry today and we strive to be the best company we can be while we

do that. We take seriously the allegations that have been raised by the Attorney General, and appreciate the opportunity to set the record straight. As a company we firmly believe that even one unsatisfied patient is one too many.

We have examined and continue to examine our own practices, and we believe that they are lawful, in line with practices employed across the industry, and helpful to our hospital partners and their patients. Yet we are a company that strives to continuously improve ourselves and the healthcare system. I hope I will have the opportunity today to describe our Blue Ribbon Panel initiative and other proactive ways we are working to improve our company and the healthcare industry. Let me be clear -- many of the allegations we've heard here this morning are deeply troubling. And if they are true, they would be flatly inconsistent with Accretive Health policies, our training and our values. To any patient who experienced any interaction with us or with Fairview employees that lacked compassion and professionalism, we apologize.

Again, we thank you, Senator, for inviting us to have this dialogue.