HARI **The Hospital Association of Rhode Island**
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Edward J. Quinlan
President

August 8, 2012

Ms. Kim Paull
Director of Analytics
Office of the Health Insurance Commissioner
1511 Pontiac Ave Bldg 69-1
Cranston, RI 02920

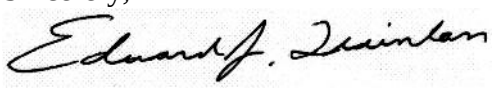
Dear Ms. Paull:

I write in response to your August 1 correspondence seeking comment to guide the work of the Rhode Island Health Care Planning & Accountability Advisory Council and its consultants. The following comments are offered for your consideration:

- What is the ideal number, location, and type of hospital beds that yields the best outcomes at the lowest cost? What is the cost of excess capacity?
    1. The transition from inpatient services to outpatient services (e.g. ambulatory surgery, observation visits) should be incorporated to facilitate a better discussion. Increases in these services are not accounted for in occupancy data on inpatient days or discharges, yet ambulatory surgeries and observation visits utilize many of the same resources and services as inpatient surgeries and stays, and therefore incur similar costs.
    2. The relationship of hospital services to free-standing facilities including lab, radiology, ambulatory surgery and urgent care should also be included. The cost still exists at the hospital, since they are core services, but there is an additional cost in the system due to an increase in free-standing facilities.
- How do the different ways of organizing primary care infrastructure impact Rhode Island's need for hospital services?
    1. A shortage of providers and limited provider availability can hinder the transition to a primary care-based system. The community's support and participation in public health is essential to the success of any primary care initiative.
    2. The current design of health plans is not centered on primary care. A primary care-based system would require health plans and employers to adopt an HMO plan.

Thank you for the opportunity to respond.

Sincerely,



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