



August 3, 2005

Donald Sundquist
Chairperson
Medicaid Commission
7500 Security Boulevard
Baltimore, MD 21244

Dear Chairperson Sundquist:

Congratulations on your appointment by President Bush to chair the Medicaid Commission. This is an enormous challenge that is vital for the future well-being of all Americans.

Patient's Healthcare Card (PHC) recognized the need more than a decade ago for implementation of information technology into the health care delivery system to control costs, improve quality of care and combat fraud and abuse.

Patient's Healthcare Card (PHC) program is a solution for containing the rising costs of health care, both short and long term. We have had several conversations and meetings with the Center for Medicare and Medicaid Services. They are clearly interested in the program's potential for reducing administrative expenses and benefit costs, while permitting the Medicaid program to serve more individuals truly in need of assistance.

Patient's Healthcare Card program is based on technology currently employed by the financial services industry. The program can be implemented in demonstration communities within 6 months and in all states within five years with minimal disruption of existing procedures. Implementation can be accomplished with little or no additional spending of strapped federal and state government budgets.

The key features of the Patient's Healthcare Card program are:

- The ability to capture, validate and adjudicate provider transactions in real-time, which should identify and/or mitigate a significant amount of fraud and abuse before payment is made;
- The introduction of a sliding scale "ability-to-pay" into the Medicaid program, moving the benefit decision from a yes-no (binary) "best business judgment" by a provider to an objectively-determined, patient-specific means-tested approach, with a patient's "ability to pay" being determined by an independent third party administrator using existing credit analysis (credit scoring) technology.

Security systems and methods are much the same as those used by the New York Stock Exchange, NASDAQ and the credit card industry.

Patient's Healthcare Card program offers a concrete step toward Medicaid cost-containment. I would appreciate meeting with Commission staff to discuss the opportunities created by the PHC program. I can be reached at rogerberliner@patientshealthcarecard.com.

Many thanks for your consideration of this request and my best wishes for the success of the Medicaid Commission.

Sincerely,

Roger Berliner
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