

May 11, 2006

Governor Bill Owens  
136 State Capitol  
Denver, CO 80203-1792

Dear Governor Owens:

On behalf of the American Medical Association (AMA) and its over 225,000 physician members, I urge you to put Colorado in the forefront of providing more balance, transparency and fairness in the health plan/physician business relationship by signing S.B. 198. The AMA continues to stand shoulder-to-shoulder with the Colorado Medical Society in support of this groundbreaking legislation.

As the AMA representative, Jeremy A. Lazarus, M.D., indicated in his testimony before the Colorado Senate Health & Human Services Committee on March 22, 2006, despite the fact that physicians and health plans are true business partners, many plans fail to treat physicians as such. In light of this fact, S.B. 198 amounts to a modest request that moves Colorado physicians and health plans toward a more cooperative business relationship.

As you are well aware, in Colorado, two health plans control 60% of the commercial health insurance market. As a result, for the vast majority of Colorado physicians who practice in solo or small group practices, the ability to negotiate a contract has been eviscerated. The AMA firmly believes that S.B. 198 is critical as it addresses this lopsided contracting process and ultimately calls for contract requirements that any Colorado businessperson, negotiating at arms length, would expect to see in a contract.

Finally, it is important to remember that we physicians play a critical role as patient advocates in an environment where health plans have limited accountability for making decisions that directly impact patients. When physicians are presented with one-sided take-it-or-leave-it contracts, this critical role is undermined. By signing S.B. 198, you will be acting to defend this important role, as well as protecting the patients of this great State.

Based on all of the above, we urge you to sign S.B. 198 into law.

Sincerely,



J. Edward Hill, MD

cc: Honorable Andrew Romanoff  
Honorable Steve Johnson  
Jeremy A. Lazarus, M.D.  
Richard G. May, M.D.