

- Q. Dr. Fayad's group was doing a good job for HPN, right?
- A. As I recall, yes.
- Q. Now, the reason – one of the reasons HPN decided to send out the request for proposal, even though Dr. Fayad was doing a good job, was HPN wanted to save money, right?
- A. A request for proposal involves more than just money.
- Q. One of the reasons was economics. You were trying to save money, right?
- A. Economics would certainly have a part in it, yes.
- Q. Economics always has a part in it, doesn't it?
- A. It has to if it's a business.
- Q. So money was one of the reasons HPN sent out the request for proposal, right?
- A. Right.
- Q. Trying to save money. Okay. Now, would I be correct that this HPN impatient and outpatient contract for gastroenterology service as a prized contract?
- A. Yes. It would be a prized contract in Las Vegas, yes.
- Q. And that's because it was the biggest contract to be had in the medical community, right?
- A. For gastroenterology, yes.
- Q. Okay. And so there was some competition for this contract, right?
- A. Well, yes.
- Q. Dr. Desai wanted it back, right?
- A. He responded to the RFP, so yes.
- 
- Q. So were you the one who made the decision to go back to Dr. Desai?
- A. No decision is made in a vacuum. It was the decision of members of the management team at Health Plan.
- Q. Well, you don't remember making that decision, do you?
- A. It was a group decision made.
- Q. I'm asking if you remember making that decision. You don't remember that, right?
- A. I remember being a part of the team that made the decision.
- Q. Okay. Well, the team included President Bunker, didn't it?
- A. I'm sure it did.
- Q. And President Bunker actually made the ultimate decision to give the contract back to Dr. Desai, didn't he?
- A. I couldn't say that entirely. I know that there were – we discussed the whole contract terms –
- Q. Okay.
- A. – with – it was the actuaries, with the finance department, with the president, with the medical directors. There were many people that were on the team.
- Q. Okay. President Bunker was on that team, yes?
- A. Yes.
- Q. And Dr. Ebbin was on that team, right?
- A. Probably.
- Q. And Dr. Sam –
- A. Dr. Sam.
- Q. – Dr. Samer, S-A-M-E-R, Abu, A-B-U, hyphen Samrah, S-A-M-R-A-H. He's referred to as Dr. Sam.
- A. That's why.

Q. Right?  
A. Yes. Dr. Sam, yes.  
Q. Okay. And he was on the team –  
A. Yes.  
Q. – right? Okay. So the team got together and it reviewed should we stay with Dr. Fayad or some other option or should we go back to Dr. Daai. Is that pretty much the discussion?  
A. That's – yes, that would be the discussion.  
Q. Okay. Now, Dr. Fayad testified Friday that after the decision was made, Mr. Ebbin – Dr. Ebbin called up Dr. Fayad and said that there was a big blowup at the management – at this meeting – at this meeting, and that Dr. Ebbin disagreed with going back to Dr. Desai and that he objected. People were yelling, and President Bunker overruled him. Isn't that what happened?  
A. I do not remember a blowup, people yelling. I do not remember that.

Q. Okay. So – so under the Sierra Fee Schedule that's in Dr. Desai's fee-for-services contract for colonoscopies Dr. Desai is doing at this clinic, each time they do a screening colonoscopy, they get \$294.77, right?  
A. That's correct.  
Q. Okay. And you know the Medicare also has a fee for this particular CPT code, right?  
A. Yes.  
Q. Okay. And I'm going to represent to you, just take this as a fact, that the Medicare rate for, let's say, 2002, 2003 for this Same CPT code was \$459.47. Okay?  
A. Okay.  
Q. Are you with me?  
A. Yes.

MR. KEMP: Can you pull that up, Brendan?

BY MR. KEMP:

Q. Now, earlier we talked about the difference between what's known as the Medicare rate and the commercial rate, right?  
A. Yes.  
Q. And in general, the Medicare rate is 78 percent of the commercial rate, right? In general. If we took all the CPT codes in America and we compared what the commercial rate was and the Medicare rate, the Medicare rate would be 78 percent, right?  
A. If you've done the math. I have not.  
Q. Well, I didn't do the math. Milliman did the math.  
A. Okay.  
Q. Milliman is a trusted source, right?  
A. Yes.  
Q. Okay. So to figure out – assuming the 78 percent held true in this, we'd have to divide 78 percent into \$459 to see what the commercial rate is right? Right?  
A. To use the Milliman rate, yes.  
Q. Okay.

MR. KEMP: Go ahead, Brendan, if you's pop that up.

BY MR. KEMP:

Q. All right. So that's a hypothetical – hypothetical commercial rate because we're just doing the math. Okay? Now, so the Sierra Fee Schedule, they're paying Dr. Desai 294

- for the screening colonoscopy from 2003 to 2007, right?
- A. Yes.
- Q. Right? And the Medicare rate is – is \$459 for the exact same operation, right?
- A. Yes.
- Q. And the hypothetical rate, using the Milliman 78 percent, is \$588 for that operation, right?
- A. But what does the hypothetical rate have to do --
- Q. It's 78 – .78 percent divided into the Medicare rate.
- A. Okay.
- Q. Okay. Trust me on the math. Okay?
- A. All right.
- Q. Believe me, Mr. Robert will bring it up if I do the math wrong. All right. Now, this is what is paid per operation, right?
- A. Yes.
- Q. So if a doctor does, say, 10,000 operations, he gets 10,000 times this on a fee-for-service contract, right?
- A. Yes.
- Q. Okay. So let's see what Dr. Desai would be paid if did 10,000 45378 operations. Okay.
- MR. KEMP: Can I have Dr. Desai's payment
- BY MR. KEMP:
- Q; He would get \$2.9 million. That's pretty close to \$3 million, right.
- A. Over what period of time?
- Q. Annually. If he did 10,000 operations in a year and they were all this CPT code that pays \$294, he would get 10,000 times the CPT code, right?
- A. That would be the math for 10,000. Seems a little high to me.
- Q. That seems like a high number of operations for one endoscopy center to be doing in a year, right?
- A. For one payer group.
- Q. So if Dr. Desai was getting \$3 million a year from Health Plan of Nevada, you would be suspicious, right?
- A. Yes.
- Q. And you'd investigate that, wouldn't you?
- A. I probably would have.
- Q. Are you aware that Dr. Fayad testified on Friday that Dr. Desai was getting \$3 million a year from Health Plan of Nevada?
- A. No, I'm not.
- Q. Okay. All right. IF you'd still been at Health Plan of Nevada, there would have been an evaluation because that's a lot of money to be paying to Dr. Desai, right?
- A. I would question the number of procedures, yes.
- Q. Okay. Let's take the 10,000 procedures and let's pay the Medicare rate. That would be \$4.5 – about \$4.6 million, right?
- A. Yes.
- Q. Okay. So Medicare would pay the doctor's group more money for the exact same 10,000 operations than was on the Sierra Fee Schedule, right –
- A. Yes. Risk factors are included in that –
- Q. The risk factor –
- A. – development.
- Q. – are getting paid by the U.S. Government. Is that what you're saying?
- A. No. Well, they do consider it also. But risk factors is considered in the difference

between commercial and Medicare payments.

- Q. Okay. Now let's take a look at what 10,000 times the hypothetical – the hypothetical commercial rate is. That's \$5.8 million. The math look right to you?
- A. Yes. The math is right.
- Q. Okay. So what we have here is we have Sierra for 10,000 operation by Dr. Desai for a screening colonoscopy, they're paying \$2.9 million, right?
- A. Yes.
- Q. And Medicare pays \$4.594 or \$4.6 million, right?
- A. Yes.
- Q. And the hypothetical commercial rate is \$5.9, right. Right?
- A. Yes.
- 
- Q. So if someone in contracting had negotiated a contract withy Dr. Desai where they paid \$3 million, but the hypothetical commercial rate per year was \$5.88, they did a good job, right?
- A. Yes.
- Q. Because saving \$3 million a year for Health Plan of Nevada would be a very good job, right?
- A. Health Plan of Nevada is an insurance payer, yes. Most insurance payers do not pay at the commercial rate, if you will, or billed charges, if you will.
- Q. Okay. So that's what you say, Mrs. Christiansen, but we're going to have an expert witness here who's going to tell us what the Milliman study – Milliman is a respected source, right?
- A. Yes.
- Q. And you know that Milliman found that the Medicare rate is 78 percent of the commercial rate throughout the country. You know that, right?
- A. Okay.
- Q. Okay. So in any event, saving \$3 million a year on the fee-for-service contract with Dr. Desai was a good day at the office for HPN, right?
- A. It was a good day for HPN and for the medical costs all throughout the system.