

The Surgery Center of Oklahoma was founded in May of 1997. Our goal was to gain control of the medical and financial treatment of our patients. The problem was that even a minor surgical procedure performed at a large hospital meant bankruptcy for many patients, including insured patients. Consistent with their attempts to maximize revenue, hospitals denied physicians the tools and supplies they thought appropriate to treat their own patients-and yet hospitals continue to book ever increasing profits even today. I have changed this model. Our model is grounded on mutually beneficial exchange. While we save patients tens of thousands of dollars, currently the only ones that walk through our door are patients paying for their own care (about half the population) because if someone else is paying, they don't shop or care how expensive something is.

We were excluded from insurance at the start which meant that we had to be creative. We started quoting patients all-inclusive prices. It was simple math: what fee did the surgeon think was fair, what was the fair anesthesia charge and what was the time and materials based charge for the facility. It turns out that our prices were usually less than the patient's in network deductible and co-pay. Today our total charges are still only 1/6th to 1/10th of what large hospital systems near us charge and even more extreme price discrepancies are routine. In fact, we recently performed a tonsillectomy on a child for \$3875 after the family had been quoted \$72,000 by a Dallas area hospital. Our prices remain half of what Medicare pays hospitals and less than Medicaid payments to hospitals for the same procedure.

The Surgery Center of Oklahoma (www.surgerycenterok.com) quoted prices over the phone to patients until 2009 which is when I launched the first website displaying all-inclusive surgical prices. I had three goals in mind, all of which I would argue have been achieved. First, I wanted sticker-shocked patients to easily find us. Second, I wanted to start a price war, so patients far from Oklahoma could use our pricing as leverage in their local market. Third, I wanted to better understand why the same market discipline other industries must endure was seemingly not a thing in healthcare.

The first patients to arrive after posting our prices were Canadians. These patients are forced to wait in lines longer than the misery they can endure without care. Then it was the uninsured, beneficiaries of self-funded health plans and members of cost-sharing ministries. Approximately half our patients travel from out of state or out of the country to Oklahoma City for their surgical care. As news of the success of our model has grown, so has the number of facilities-and I'm happy to report-large hospitals-who now have copied us.

Price-matching in the industry has had a deflationary effect, even on the price-gouging facilities, as they stand to lose business and patients if they don't compete. Our model also increases the quality of care because physicians with unpredictable outcomes shy away from this tightly disciplined space. The good surgeons would rather perform a surgery at my facility due to better conditions and the higher pay they receive.

While building the surgery center and changing the market, my mission has now grown. I now also run Atlas Billing Company (www.atlasbillingcompany.com) which facilitates payment bundles for the Surgery Center of Oklahoma and is now curating and implementing surgical bundles for many other facilities now attempting to service price-sensitive buyers and patients. I am also a co-founder of the Free Market Medical Association (www.fmma.org), a mission-driven organization that works to bring buyers

and sellers together in the United States, promotes market discipline in the industry and now has 37 state chapters.

To the industry big shots, or as I call them the cartel, the healthcare system in this country isn't broken-it is working precisely as designed, meant to enrich the corporate elite and intermediaries at the expense of patients and the American people at large. Fortunately, the alternative approach I've described is becoming more widespread. As insurance deductibles balloon and delays and denials become more commonplace, affordable, high quality care is available for victims of the system. I predict that "shoppable" medical services will become particularly critical for older Americans as an increasing number of physicians opt out of or severely curtail their exposure to Medicare.

Thank you.