

EXHIBIT B

BEFORE THE PENNSYLVANIA OFFICE OF OPEN RECORDS

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PUBLIC INTEREST LAW CENTER OF :
PHILADELPHIA, :
:

Petitioner, :
:

DOCKET NO. AP 2012-2017 :
:

v. :
:

COMMONWEALTH OF PENNSYLVANIA, :
DEPARTMENT OF PUBLIC WELFARE, :
:

Respondent. :
-----:

AFFIDAVIT OF JOHN SEHI

I, John Sehi, of full age and being duly sworn according to law, depose and state as follows:

1. I am the Vice-President of Finance for Health Partners of Philadelphia, Inc. ("Health Partners"). I have served in this capacity since June 1998. I have over 31 years of experience in the health care insurance industry.

2. Health Partners is a Medicaid Health Maintenance Organization ("HMO"), and participates in Pennsylvania's HealthChoices Program. Pursuant to that program, Health Partners contracts with the Pennsylvania Department of Public Welfare ("DPW") to arrange for the provision of health care services to Medicaid beneficiaries who enroll in Health Partners. Health Partners, in turn, has established a health care provider network by contracting with institutional and professional health care providers who actually provide the health care services, including dental services, to Health Partners enrollees. For dental services, during the relevant period, Health Partners subcontracted with DentaQuest, LLC; DentaQuest, in turn, contracted with the dental providers. In addition to Health Partners, there are several other

Medicaid HMOs that participate in the HealthChoices program. Health Partners competes with these other companies for enrollees in the Medicaid program, as well as for contracts with subcontractors and providers.

3. I am familiar with the October 3, 2012, request pursuant to Pennsylvania's Right-to-Know Law ("RTKL"), by the Public Interest Law Center of Philadelphia ("PILCOP") addressed to DPW, in which PILCOP seeks various records for the period January 1, 2008 until June 30, 2012, including any document that "(a) sets forth the amount for any one or more dental procedure codes that any Medicaid HMO and/or Medicaid Dental Subcontractor pays or has paid to dentists (and/or other providers of dental services) for the provision of dental services to Medicaid recipients in Southeastern Pennsylvania, or (b) otherwise establishes the rate of payment by which any Medicaid HMO and/or Medicaid Dental Subcontractor compensates or has compensated dentists (and/or other providers of dental services) for the provision of dental services to Medicaid recipients in Southeastern Pennsylvania." PILCOP specifically excluded from the request any documents that it had previously requested from DPW in its June 17, 2011, request. It is my understanding that the October 3, 2012 request, unlike the June 17, 2011 request, specifically sought rates that the dental subcontractors paid the dental providers. I am also familiar with DPW's denial of PILCOP's request, dated November 13, 2012. I submit this affidavit in support of DPW's denial in this appeal.

4. To the extent that PILCOP's request can be construed to require the production of documents and information showing the rates that either Health Partners or its subcontractor DentaQuest paid to dental providers, Health Partners strongly objects to the disclosure of such

documents and information. Health Partners considers such documents and information to be confidential, proprietary to Health Partners, and Health Partners' trade secrets.

5. During my time in the health care insurance industry, it has been standard industry practice to keep confidential any information relating to rates that insurance plans and/or their subcontractors pay to providers. Consistent with this practice, Health Partners has kept provider rates confidential. This industry practice is reflected in Section XIV of Health Partners's HealthChoices Agreement with DPW, which specifically provides that information such as "Provider rates" that, if disclosed, "would be harmful" to Health Partners's "competitive position," is "confidential" and "shall not be disclosed by [DPW]."

6. Other than required reporting to governmental agencies or as required by applicable law, Health Partners never discloses its rates to anyone outside Health Partners. In those instances where Health Partners is required to disclose its rates to Pennsylvania agencies with oversight of Health Partners, Health Partners submits the rates in a confidential manner.

7. Health Partners also takes steps to ensure that internal disclosure of rate information is as limited as possible, and that those Health Partners employees with access to the information protect its confidentiality. Health Partners provides confidentiality training to its employees to protect all confidential information. Health Partners limits access to rate information to senior management and those employees with specific need for the information in the performance of their jobs, such as designated contract negotiators and managers with specific business accountability.

8. Health Partners maintains documents containing rate information in both hard copy and electronic format. Access to these documents is limited to a "need to know" basis. Electronic copies of the documents are maintained in electronic files that can only be accessed

by employees identified as having a business need for the information. Health Partners also ensures that managers review, on a regular basis, the security rights of their staff to electronic folders.

9. Health Partners has expended substantial time, effort, and expense in developing its rates, in negotiating with DentaQuest, and in protecting the confidentiality of its rate information.

10. The disclosure of Health Partners's and/or DentaQuest's rate information to Health Partners's competitors, *i.e.*, other HMOs in the HealthChoices program, would substantially harm Health Partners's and DentaQuest's ability to compete fairly in the market for reasonable contract rates. Armed with Health Partners's and/or DentaQuest's rate information, Health Partners's and/or DentaQuest's competitors could undercut Health Partners and DentaQuest, causing both companies to suffer lost business. In addition, disclosure of the rate information of other HMOs or subcontractors to the providers could cause the providers to seek higher rates from Health Partners and DentaQuest, to Health Partners's and DentaQuest's economic detriment. For these reasons, Health Partners's and/or DentaQuest's rate information has independent economic value to Health Partners and, if disclosed, would have value to Health Partners's competitors.

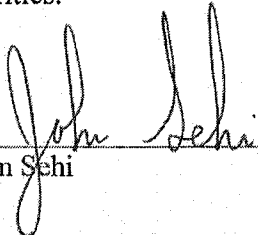
11. In addition, for these same reasons, the disclosure of Health Partners' and/or DentaQuest's rate information would cause substantial harm to Health Partners' competitive position if disclosed.

12. For all of these reasons, the documents and information sought in the Request have independent economic value to Health Partners.

13. Because of Health Partners's efforts to maintain the confidentiality of its and DentaQuest's provider rates as described above, it would be very difficult for others to acquire or duplicate those rates by legitimate means. Those rates could only be legitimately acquired by others through the RTKL process, and then only if those rates are not protected as trade secrets or confidential proprietary information of Health Partners and DPW is required to disclose them.

14. In addition, any documents containing Health Partners's and/or DentaQuest's rates that reflect an individual encounter with a dental provider are confidential treatment records that contain individually identifiable health information. Because disclosure of such documents would reveal private and confidential health information of Health Partners's subscribers in the HealthChoices program, such disclosure would harm Health Partners's subscribers. For this reason, such disclosure could also harm Health Partners by causing it to lose subscribers to the other HMOs participating in the HealthChoices program.

I understand that the statements made herein are subject to the penalties of 18 Pa.C.S. § 4904, relating to unsworn falsification to authorities.



John Sehi