



# Broker Briefing

Small Group Business (2 – 50 Lives)\*

---

\*1-50 where required by state law

*Small Group Sales, All Regions - April 1, 2003*

## **Important Update on Aetna's Relationship with Magellan Behavioral Health**

Over the past few months, Aetna has been very carefully following the financial situation of Magellan Behavioral Health, Inc. ("Magellan"), the managed behavioral health care organization we contract with for the majority of Aetna members. We also have been forging a plan that is designed to improve our business relationship with Magellan, and bring significant enhancements for Aetna members. Today, we want to inform you about important developments for Magellan, Aetna's immediate and long-term behavioral health plans, and how your customers and their employees should benefit from the changes that will come.

We understand that on March 11, 2003, Magellan filed for protection under Chapter 11 of the federal bankruptcy code, and is planning to reorganize and restructure its financial obligations. Magellan has been forthcoming in discussing this matter with us. Magellan plans to continue its operations in the normal course of business during this process. We continue to have confidence that Magellan will be able to fulfill its obligations to our members.

We also think it is significant that Magellan has obtained an order from bankruptcy court to treat physicians and other behavioral health providers as "critical vendors," a special status allowing all provider claims to be paid in the ordinary course of business. Regarding claims payments, please note that Aetna currently pays claims for our PPO-based products and will continue to do so. Magellan pays claims related to our HMO-based products.

At the same time, we have signed a new, two-year extension of our agreement with Magellan from January 1, 2004, through December 31, 2005. This agreement supports Aetna's new, integrated behavioral health strategy, which will include closer alignment of behavioral health programs and medical health care for members, in order to optimize care and service. Through this agreement, which is part of Magellan's reorganization, Aetna members should benefit in several important ways:

- Aetna's new strategic focus and agreement with Magellan will feature clinical enhancements designed to promote a stronger integration of care between mind and body, and provide a better way to detect and facilitate the treatment of behavioral health issues associated with chronic medical illnesses. Development of these enhancements has begun.
- In addition to an existing Aetna-dedicated claims processing site, by the end of 2004, Magellan will establish three sites dedicated solely to Aetna members, focused on customer service and clinical and network management. This will allow us to better monitor a number of key performance standards that directly impact our members including, among others, claims customer service and timeliness.
- We will work with Magellan to expand the network of providers available to Aetna members.

We have stepped up our monitoring of Magellan's service to our members and are prepared to take the actions necessary to ensure that they receive service at or above the levels we expect. Aetna does have contingency plans in place should they become necessary. However, even in the midst of Magellan's financial difficulties, **ongoing service remains steady, based on a variety of metrics that we utilize to ensure that our members and providers are getting the level of service that we expect. In fact, in key areas such as claims turnaround time and telephone response time, Magellan's service to our members continues to improve based on our most current data.**

Our primary interest throughout this has been providing access to quality behavioral health care services to your customers and their employees. We are pleased with our renewed relationship with Magellan, which we believe will mean clinical and service enhancements for our members.

Please contact your Aetna Sales Manager if you have additional questions. Thank you.

"Aetna" is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Life Insurance Company. In Michigan, this briefing is directed to our valued producers.