

**Minutes of the Aetna Inc.  
Physician Advisory Board  
Meeting of May 2, 2008**

The Aetna Inc. (Aetna) Physician Advisory Board met on May 2, 2008 at Sofitel Chicago Water Tower in Chicago, Illinois. The meeting commenced at 8:00 a.m. C.D.T. and ended at 1:45 p.m. C.D.T.

Drs. Troy Brennan, William Gee, Robert Gunby, Scott Hayworth, Robert Harrison, Russell Libby, Leonard Lichtenfeld, Diane Wallis and Michael Workings attended. A quorum existed throughout the meeting.

Also attending for Aetna were Dr. James Cross, Lynda Goodwyn, Thomas Young, Karin Rush-Monroe, and Jenee Barling and attending for Aetna by phone were Lisa Carrara, Dr. James A. Coates, Linda Diesi, Robert Stillman, Bill Stout and Michele Toscano.

Dr. Brennan welcomed the Board members.

Upon motion duly made and seconded, the minutes of the meeting of November 2, 2007 were unanimously approved.

Mr. Young then provided an update regarding disputes concerning Aetna's compliance with the physician class action settlement agreement.

Dr. Brennan and Mr. Young then discussed Aetna's plans following expiration of the physician settlement agreement. They confirmed that Aetna plans to voluntarily continue virtually all of the business practices previously required by the settlement agreement but will discontinue the legal enforcement apparatus. They also reviewed proposed amended by-laws and a revised mission statement for the Physician Advisory Board. Dr. Wallis emphasized the importance of Board members retaining the ability to propose agenda items for Board discussion. In response, Aetna agreed that the by-laws will state that any two (2) Board members may bring an issue for discussion by the Board. At Dr. Wallis' request, Dr. Brennan also agreed to consider the level of payment to Board members for attending meetings. Upon motion made and duly seconded, the by-laws were unanimously approved as revised consistent with the foregoing discussion.

Referring to materials distributed in advance of the meeting, Dr. Brennan then reviewed Aetna's position regarding payment policy regarding monitor anesthesia care (MAC) for endoscopies. Among other things, he reviewed technological and legal developments that may change the debate concerning this issue.

Referring to materials distributed in advance of the meeting, Ms. Carrara, Ms. Diesi and Mr. Stout spoke about Pathways to Excellence, Aetna's umbrella term for initiatives to promote high quality and cost efficient care. Dr. Brennan also mentioned standard-setting work being undertaken by NQF with funding from the Aetna Foundation, as well as work being undertaken by NCQA and other organizations. In response to a question

from Dr. Wallis regarding integration of physicians' internal quality data with the evaluation process, Dr. Brennan commented on data sources available to Aetna. In response to a question from Dr. Hayworth, Ms. Carrara explained that Aetna evaluates and provides its "Aexcel" designation on a group basis for physicians employed in group practices. There was also discussion concerning the concepts of "cost", "efficiency" and "effectiveness" in relation to consumer disclosures.

Referring to materials distributed in advance of the meeting, Dr. Brennan and Mr. Young then discussed issues regarding reimbursement of non par physicians. They focused on situations in which HMO members receive care from non par physicians not as a matter of choice but because certain physicians (e.g., emergency room physicians, radiologists, anesthesiologists and pathologists) based in hospitals decline to enter into contracts with HMOs. Regarding those situations in which Aetna has an obligation to hold members harmless when they have received services from a non par provider, they discussed Aetna's policy of reimbursing most providers at an amount equal to 125% of the amount Medicare reimburses for similar services. They pointed to very high bills submitted by some physicians and observed that relatively few physicians disputed amounts paid at 125% of Medicare. They explained Aetna's reasons for concluding that Medicare 125% generally is a reasonable amount for most specialties (there was discussion concerning the historically low Medicare reimbursement for anesthesia services) and expressed willingness to entertain reasonable alternatives.

Referring to materials distributed in advance of the meeting, Dr. Coates then described Aetna's high performance provider initiatives. He explained that these initiatives use data in that Aetna has to identify gaps in quality and/or efficiency and, in collaboration with the provider, determine root causes, design solutions, track the results of changes, and promote the findings for wider adoption. He also discussed various examples illustrating this process.

Referring to materials distributed in advance of the meeting, Ms. Toscano described the country's childhood obesity problem and the concerns it poses for Aetna. She also described Aetna's current thoughts regarding how to determine the most effective interventions to address this issue and asked Board members for observations and recommendations. Dr. Harrison encouraged a focus on the primary pediatrician and observed that Aetna may not remain the insurer as members and employers change health plans.

Dr. Cross then reviewed topics raised through the physician advisory mailbox and selected for discussion. Topics discussed were: Aetna's addition in 2007 of murmur as a covered diagnosis for performing a color flow echocardiography in adults in response to a concern previously expressed by physicians. There was also discussion of concern regarding coverage an M.D. in group practice who takes maternity leave and of Aetna's policy of not paying for a Pap smear separately when billed with a well-woman annual physical.

Referring to materials distributed in advance of the meeting, Dr. Cross then updated the Board regarding the work of the vaccine workgroup. He reported that Aetna had concluded that the tentative approach with McKesson turned out to be cost prohibitive and administratively complicated. He then discussed an approach Aetna currently is pursuing with Merck, enabling physicians to order vaccines directly from Merck with payment not due for 90 days. There was discussion regarding the difficulty of fashioning a practical solution to these issues.

There being no further business, the meeting adjourned at 1:45 p.m. C.D.T.

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Robert J. Stillman  
Recorder