

Physician Advisory Board Meeting of May 19, 2006

The Aetna Physician Advisory Board met on May 19, 2006 at the offices of Aetna Inc. in Hartford, Connecticut. This was the Board's fifth face-to-face meeting since its inception in late 2003. The Board is scheduled to meet again in November 2006.

The Board is chaired by Troyen A. Brennan, M.D., Aetna's Chief Medical Officer and includes eight additional practicing physicians. Aetna had sole responsibility for choosing two of the nine members; the representatives of nearly one million physicians chose an additional three members, and both Aetna and these representatives jointly selected the remaining three members.

The May 19 meeting agenda included an address from Ronald Williams, Aetna's Chief Executive Officer and President, who noted the progress in Aetna's relations with physicians and emphasized the continuity of policies with that of Aetna's former Chief Executive Officer, John W. Rowe, M.D. Mr. Williams also reiterated Aetna's commitment to health care quality, and commented that Aetna believes in competing by adding value and appropriately pricing its products consistent with paying for high quality health care.

Also discussed were consumerism trends and marketplace demand, including declining percentages of businesses offering health insurance and the increasing uninsured population as health care spending rises in relation to median income. An overview of Aetna's consumerism initiatives included a discussion of the Aexcel group of network products and the data used in determining which physicians or physician groups are included within certain networks.

A discussion on walk-in clinics included the importance of a strong primary care system and current gaps within that system. Employer interest in workplace-based primary care and walk-in clinics located in retail settings was noted, and Aetna representatives shared data indicating that approximately 38% of visits to walk-in clinics have substituted for visits to emergency rooms or urgent care centers. Board members expressed concerns with the quality of care delivered at walk-in clinics, and Aetna agreed to consider a study of the quality issue in partnership with a specialty medical society.

Aetna personnel described Aetna Health ConnectionsSM, Aetna's new patient management programs, including data and analytic tools used by Aetna to identify the individuals most likely to benefit from these programs. Board members discussed the usefulness of on-site evaluations to help assess members' needs and advocated enhanced reimbursement for physicians supporting management of chronic diseases.

Aetna's Chief Privacy Officer shared an update regarding disputes concerning Aetna's compliance with the physician class action settlement agreement. He reported that the parties had recently agreed to a settlement of disputes concerning the treatment of certain add-on codes and also the use of Modifier 25 in connection with billing for evaluation and management services combined with performance of so-called "minor" procedures.

Follow-up items from previous meetings were also discussed, including Aetna's decision to increase payments to physicians for the administration of vaccines and Aetna's research into retrospective denials attributable to lack of timely receipt of member eligibility data.

The Board selected several topics submitted by physicians for discussion, including clarification on billing for vaccine-only visits and Aetna's policy of paying for only one physician's interpretation of ultrasounds subject to exceptions based on use of Modifier 26. Responding to the Board's request, Aetna agreed to investigate posting a response to the policy question on the Aetna web site.

During the course of the meeting, Aetna agreed to consider several board suggestions, including the following:

- Engage a radiologist to speak at a future meeting on the topic of higher utilization of radiological studies and evidence-based guidelines
- Continue to seek physician input on HSA/HRA, Aexcel, pay for performance and price transparency initiatives
- Encourage physicians to play an active role in patient management programs through incentives
- Enhance communications on settlement agreement compliance issues
- Consider raising retrospective denial issue with plan sponsors

For more information on the Aetna Physician Advisory Board, including past meeting summaries, please visit www.aetna.com and click on "Doctors & Hospitals" then "Physician Advisory Board."