

Physician Advisory Board  
Meeting of November 12, 2010

The Aetna Physician Advisory Board met on November 12, 2010 in Fort Lauderdale, Florida.

Dr. Thomas Garthwaite, William Gee, Robert Gunby, H. Robert Harrison, Scott Hayworth, Russell Libby, Leonard Lichtenfeld, Diane Wallis and Michael Workings attended.

Also attending for Aetna were Dr. James Cross, Lynda Goodwyn, Carl King, William Kramer, Dr. Lonny Reisman and Amanda St. Amand. Attending for Aetna by phone were Dr. Brian Kelly, Steve Kelmar and Stacie Watson.

Referring to materials distributed in advance of the meeting, Dr. Reisman gave an overview of new activities Aetna is undertaking to provide greater value in the health care marketplace. He discussed health information technology and the need to connect with various electronic medical record vendors. He shared information on a new alliance with IBM to offer clinical support service to physicians. There was discussion on physician interest in this type of product and the best way to deliver real time information. Dr. Reisman also talked about the roles of Accountable Care Organizations and Patient Centered Medical Homes and their potential to optimize resources and improve quality. It was decided that the role of pharmacies would be included in a future discussion.

Referring to materials distributed in advance of the meeting, Stacie Watson then gave an overview of the federal government's requirements for the 5010 transaction upgrade and conversion to the ICD-10 code sets. She described the impact of the changes, industry trends, and Aetna's conversion approach. The group discussed the potential for physician resistance to the changes. Board members offered suggestions for support Aetna could offer the medical community as the compliance date approaches, including sharing timetables and detailed information with medical societies.

Referring to materials distributed in advance of the meeting, Dr. Kelly shared an overview of Aetna's new benefits engagement program which combines plan design, member tools and incentives, and care management with a tiered hospital network. He shared that the program is available to limited plan sponsors and offers employers and their employees options for controlling health care costs. He shared the multi-year vision for the program including 2012 quality criteria for hospital tiering.

Carl King then led a discussion on rising health care costs and various actions Aetna is undertaking to control those costs. The group discussed various factors including hospital unit costs, a rise in ambulatory services and spikes in catastrophic claims. The group discussed the importance of the primary care physician in patient care.

Dr. Wallis then shared an overview of Dabigatran, its uses and indications, and the FDA's recent approval of the drug. She indicated that there will be interest in Aetna's medical policy on Dabigatran.

Then, referring to materials distributed in advance of the meeting, Steve Kelmar led a discussion on health care reform, the 2010 election outcome and possible implications on the Patient Protection and Affordable Care Act (PPACA). He shared an assessment of the new congressional leadership and their priorities and the chances of modifications to the current bill. The group discussed the implications for hospitals, other facilities and for physicians, as well as the role of Accountable Care Organizations and potential future changes to Medicare Advantage plans.

The group then discussed vaccine reimbursement, average wholesale prices and fee schedules. Dr. Harrison shared data specific to Aetna's vaccine reimbursement rates in the Atlanta market and indicated they are lower than those of other payors. Mr. King agreed to look into the data and report back with information and an explanation of the rates. Dr Libby went on to explain that immunization costs are the highest non-labor cost in a pediatrician's practice. It is common for practices to have hundreds of thousands of dollars tied up in immunization inventory. There is also indirect costs such as expiration, waste and breakage that need to be taken into account. The group indicated that Aetna has taken too long to address these concerns so prompt action was expected.

There being no further business, the meeting adjourned at 2:15 p.m. E.T.