

Aetna Defends Its Performance-Based Networks

BY ALICIA AULT

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SAN FRANCISCO — Speaking at the insurance industry's annual meeting, an Aetna executive detailed and defended the company's performance-based physician networks, maintaining that such "preferred provider" systems are a good way to keep costs down and to let patients know which physicians offer the best and most cost-effective care.

Dr. Gerald Bishop, senior medical director for Aetna's West division, spoke during the concurrent session "Driving Quality in the Health Care System: Performance-based Networks 2008" at the America's Health Insurance Plans (AHIP): Institute 2008, a conference sponsored by America's Health Insurance Plans.

Preferred provider networks have been the subject of legal challenges around the country, most recently in Massachusetts and Connecticut. Some physicians

have claimed that the networks use inappropriate methodology to rate their performance.

In 2007, New York Attorney General Andrew Cuomo struck a settlement with several insurers in which they agreed to publicly disclose rating methods and how much of the ratings is based on cost, and to retain an independent monitoring board to report on compliance.

Aetna was one of the first insurers to sign on to that settlement, and has con-

tinued to comply, said Dr. Bishop. He noted, for instance, that Aetna reviews and updates its provider list every 2 years and notifies each physician in writing if there has been any change in his or her status.

Physicians have the opportunity to appeal if there is an error—before any data are made public, he said.

The company also encourages physicians to submit any relevant information from medical records if they have a question about the rating.

Aetna first began developing its Aexcel network in 2002, said Dr. Bishop.

The goal was to mitigate rising medical costs, ensure that patients had sufficient access to specialists, and find a way to recognize the variations in costs and practices in each individual market, he said.

Aetna has determined that physicians who are members of the Aexcel network typically perform 1%-8% more efficiently than their peers.

The company found that 12 specialties represented a total of 70% of spending on specialists and 50% of the overall spending: These specialties were cardiology, cardiothoracic surgery, gastroenterology, general surgery,

neurology, neurosurgery, obstetrics/gynecology, orthopedics, otolaryngology, plastic surgery, urology, and vascular surgery.

When considering which physicians are eligible for the Aexcel network, the company looks at the number of Aetna cases that were managed over a 3-year period (there was a 20-case minimum).

Aetna also uses nationally recognized performance measures to gauge clinical performance. Physicians who score statistically significantly below their peers are excluded from the Aexcel network.

Moreover, the company uses the Episode Treatment Group methodology to evaluate 3 years of claims for cost and utilization patterns. A physician is considered efficient if his or her score is greater than the mean for that specialty and that market, said Dr. Bishop.

The Aexcel network now exists in 35 markets, covering a total of 670,000 members. Aetna members in most, though not all, areas can log onto a secure patient Web site and see costs for various procedures, as well as locate information on why his or her physician has been designated a preferred provider in the Aexcel network.

Dr. Bishop said that Aetna has determined that physicians who are members of the Aexcel network typically perform 1%-8% more efficiently than their peers. Each client could save up to 4% of annual claim costs if all its covered workers used the network, he said.

Although some physicians have been unhappy with the designations, "amazingly few physicians balk at this," commented Dr. Bishop. ■

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