

The Verden Quarterly Report: Managed Care Company Rankings | Quarter 1, 2008

Total Score: Worst to Best

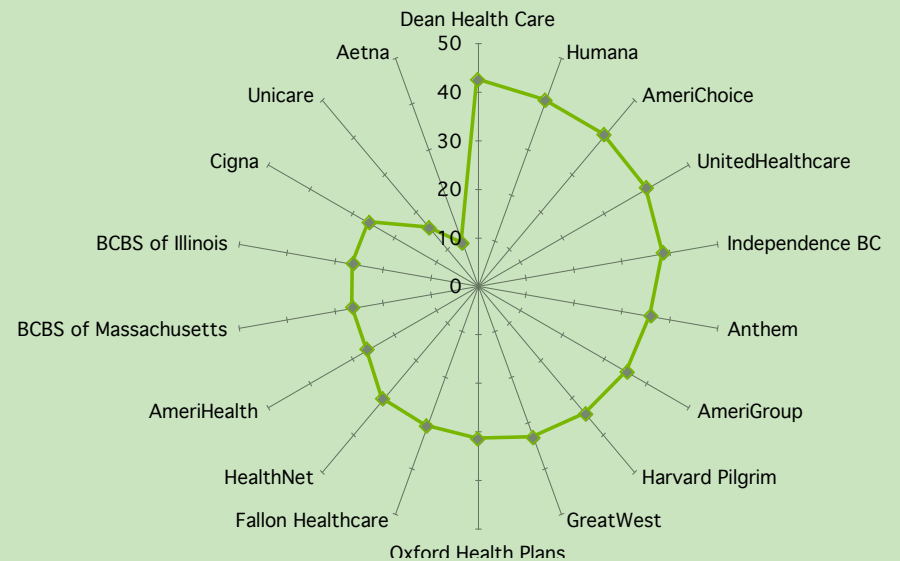
Rank	Insurance Company	Total Score
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1. WORST

1	Dean Health Care	42.35
2	Humana	40.61
3	AmeriChoice	40.54
4	UnitedHealthcare	40.16
5	Independence BC	38.83
6	Anthem*	36.25
7	AmeriGroup	35.54
8	Harvard Pilgrim	34.59
9	GreatWest	33.37
10	Oxford Health Plans	31.66
11	Fallon Healthcare	30.76
12	HealthNet	30.44
13	AmeriHealth	26.27
14	BCBS of Massachusetts	26.11
15	BCBS of Illinois	25.97
16	Cigna	25.87
17	Unicare	15.49
18	Aetna	9.29

18. BEST

The goal of the Verden rankings system is to evaluate how well or poorly managed care companies (Payers) are performing from the perspective of physician practice management. The data used to rank these Payers comes directly from the companies themselves, as gathered by the Verden Alert subscription service. This service monitors insurer sites for any policy and procedure changes and alerts subscribers based on their participation and specialty whenever changes are posted. For the purpose of this report, data gathered from January 1, 2008 to March 31, 2008 (Q1 2008) are eligible for ranking. Please see 'Who We Measured' on page 2 for more information about the Payers selected



What we measured:

Our analysis is composed of five categories in which each insurance company was given a score. The more points accumulated, the worse the company fared. Points were designated based on multiple criteria, with each metric carrying a different weight.

Data selected for measurement were those with an effective date occurring between 01/01/2008 and 03/31/2008 (Q1 2008). The source data is organized by administrative, reimbursement, pharmacy and medical policy categories and payers are ranked on five (5) measures:

1. Cost to Provider (CP)
2. Volume of Change (VC)
3. Clarity of Communication (CC)
4. Notification Period (NP)
5. Posting Integrity (PI)

A note about the managed care companies listed

AmeriChoice and Oxford Health Plans are both UnitedHealthcare companies, however, each of these three companies have separate policies and procedures and therefore have been ranked separately. Please see footnote for the Anthem plans evaluated under that name in these rankings. Great-West became a Cigna company as of 4/1/2008.

Who we measured:

Of the 160+ insurance companies the Verden Group tracks on a national basis, eighteen companies made the list for our first ranking. We based this decision on insurer size and robustness of data gathered within the defined time period. **Look for more Payers to be added to the ranks in future quarterly listings.**

The insurance companies included in this report are:

1. Aetna
2. AmeriChoice
3. AmeriGroup
4. AmeriHealth
5. Anthem*
6. BCBS of Illinois
7. BCBS of Massachusetts
8. Cigna
9. Dean Health Care
10. Fallon Healthcare
11. GreatWest
12. Harvard Pilgrim
13. HealthNet
14. Humana
15. Independence BC
16. Oxford Health Plans
17. Unicare
18. UnitedHealthcare

Metric Weighting (Aggregate Score)

In order to calculate the overall ranking we have assigned weights to each metric:

Metric	Weight
1. Cost to Provider (CP)	50%
2. Volume of Change (VC)	18%
3. Clarity of Communication (CC)	25%
4. Notification Period (NP)	7%
5. Posting Integrity (PI)	Penalty points

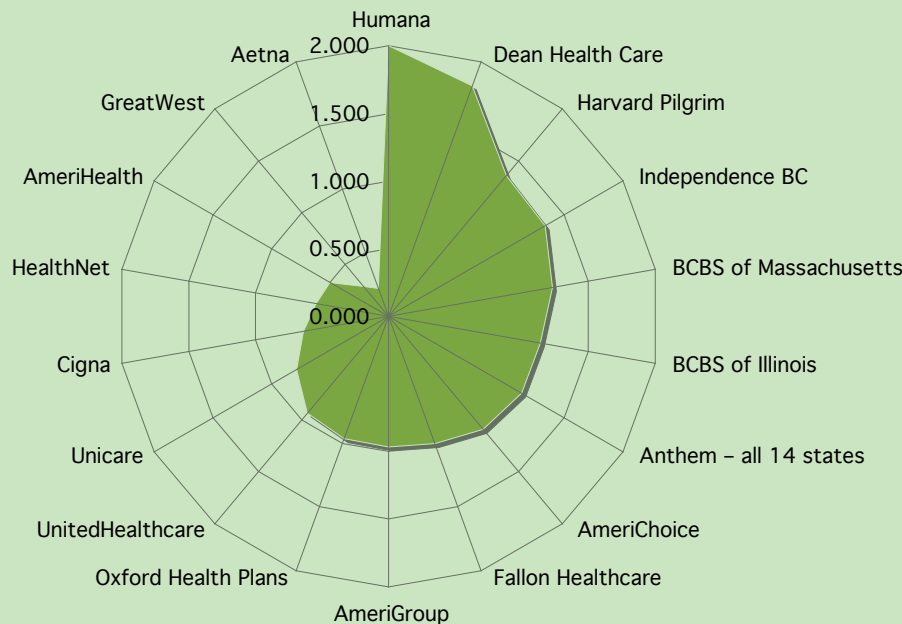
1. Cost to Provider (CP)

Cost to Provider takes into account policy changes or initiatives affecting reimbursement, and those that added more or less administrative time or complexity to a process in order to adhere to changes. Examples include implementation or withdrawal of pre-authorization, pre-certification, notification, and referral processes; timelines or modified processes that require more or less resources in order to comply with changes; and claims, coding or data errors or improvements resulting in more or less efficiency.

These points accounted for 50% of the aggregate score.

We first allocated each individual change a corresponding point before tallying the total points in a given metric for each insurance company. For comparison purposes, we incorporated the ratio of CP/VC in order to account for the variation in number of changes between Payers. Our findings in this metric are:

Insurance Company	CP / VC
WORST	
Humana	2.000
Dean Health Care	1.813
Harvard Pilgrim	1.357
Independence BC	1.333
BCBS of Massachusetts	1.231
BCBS of Illinois	1.139
Anthem*	1.137
AmeriChoice	1.087
Fallon Healthcare	1.000
AmeriGroup	0.967
Oxford Health Plans	0.963
UnitedHealthcare	0.936
Unicare	0.784
Cigna	0.642
HealthNet	0.542
AmeriHealth	0.500
GreatWest	0.286
Aetna	0.222
BEST	



Humana ranked highest in Cost to Provider, primarily due to the addition of prior authorizations in the pharmacy category and modified medical policies resulting in greater administrative burden for providers in its network. Aetna receives the best ranking in this metric due to a lack of changes resulting in additional work for in-network providers during the first quarter.

2. Volume of Change (VC)

Volume of Change takes into account the total amount of policy and procedure change across all categories - medical, administrative, pharmacy and reimbursement – experienced by a Payer’s network.

Points are determined by measuring the volume of change by each insurance company compared to overall volume in

percentage. Each individual change with an effective date between 01-01-2008 and 03-31-2008 is included in the dataset for each of the 18 insurance companies mentioned above.

These points accounted for 18% of the aggregate score.

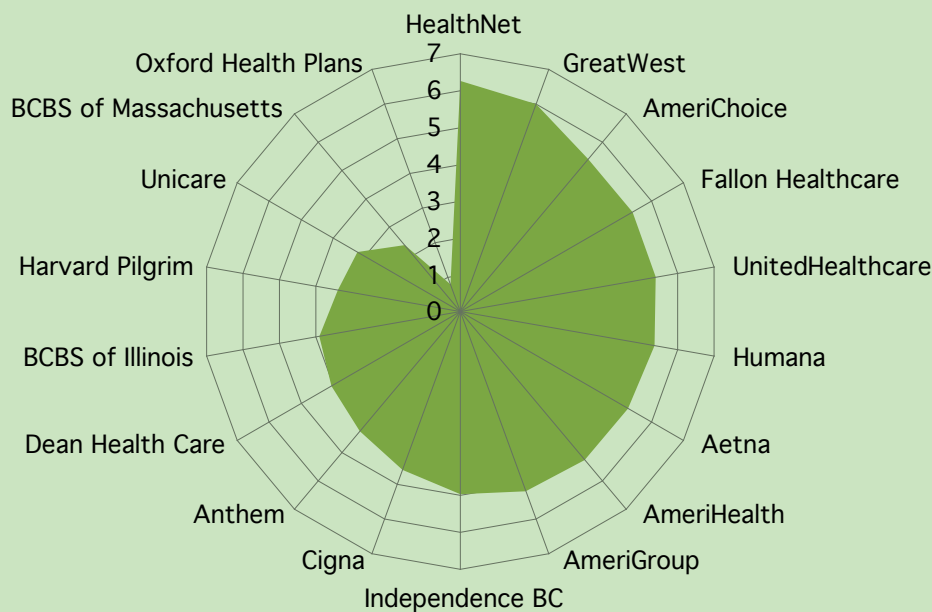
Insurance Company	% of Total
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WORST

Anthem*	14%
UnitedHealthcare	14%
Oxford Health Plans	12%
Cigna	8%
Aetna	7%
Unicare	6%
BCBS of Illinois	5%
AmeriHealth	5%
AmeriGroup	5%
BCBS of Massachusetts	4%
HealthNet	4%
AmeriChoice	4%
Independence BC	3%
Humana	3%
Dean Health Care	2%
Harvard Pilgrim	2%
Fallon Healthcare	2%
GreatWest	1%
Total	100%

BEST

Anthem and UnitedHealthcare tied as the Payer’s with the highest volume of change. For practices in the Northeast participating in the joint UnitedHealthcare and Oxford Health Plan networks, the volume of change is exceptional compared to rest of the Payers in this ranking.



3. Clarity of Communication (CC)

Clarity of Communication indicates how well or poorly insurers make information available on their web sites. These days, most insurers utilize their web sites as their primary communication tool for notifying network participants of changes to policies and procedures. The expectation is that providers will monitor these sites for updates in order to keep themselves informed as part of their contractual obligations with an insurer. This measurement captures whether insurers' clearly identify a new or modified policy, its effective date, and what change occurred.

The easier it is to find medical policies and updates on the site, the fewer points awarded. High points are given to insurers that keep their policies and network news behind a log in barrier.

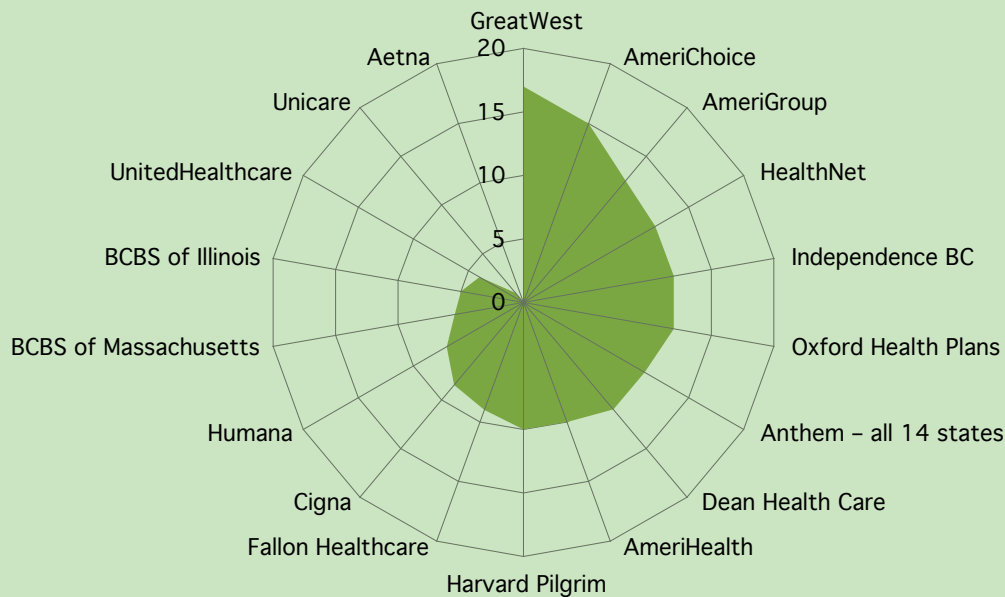
Points are tallied as a whole, rather than for individual alert, for each insurance company.

These points account for 25% of the aggregate score.

Insurance Company	CC Value
WORST	
GreatWest	17
AmeriChoice	15
AmeriGroup	12.5
HealthNet	12
Independence BC	12
Oxford Health Plans	12
Anthem*	11
Dean Health Care	11
AmeriHealth	10
Harvard Pilgrim	10
Fallon Healthcare	9
Cigna	8.5
Humana	7
BCBS of Massachusetts	5.5
BCBS of Illinois	5
UnitedHealthcare	4
Unicare	1
Aetna	0

BEST

Aetna ranked the best in this category, scoring zero points. With no log in required to access policies, clearly identified additions, revisions and updates, and clear and concise details of changes made on each policy, Aetna is the gold standard in clarity of communication. Great-West came in last, thanks to a log in feature, no change history on revised policies, and no identification of changed material. As of April 1, 2008, Great-West is now part of Cigna, and we hope to see some positive changes in its score over the second quarter.



4. Notification Period (NP)

Notification Period measures the time that elapsed between posting notification of a policy or procedure change and the date upon which the change became effective. We graded insurers on how much notice they gave providers of their intent to change a policy or procedure – the less time between posting and effective date, the higher the score. We believe that at least thirty days of notification is necessary for providers to respond and adapt changes, and those Payers that post 30 days ahead of effective date accumulate no points.

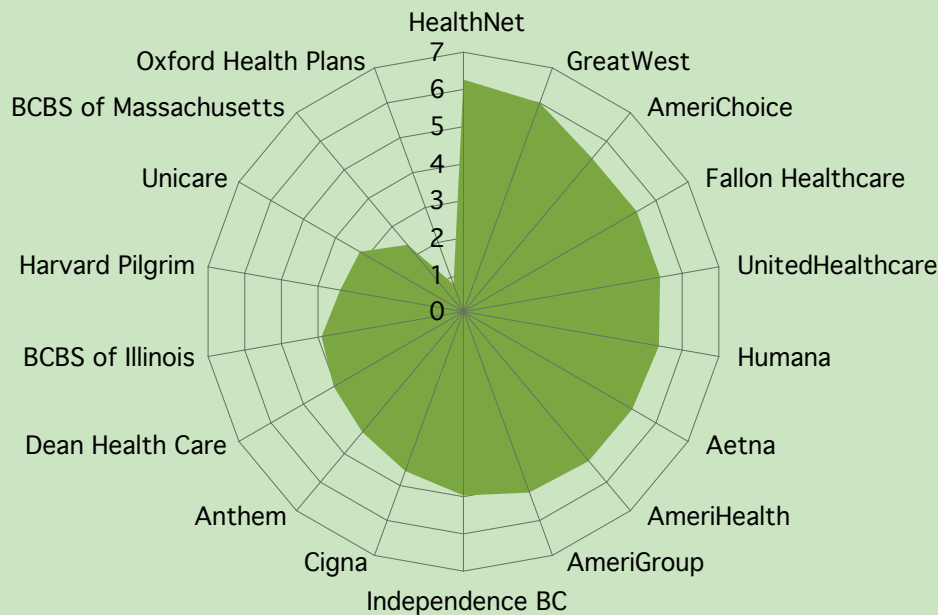
These points account for 7% of the aggregate score.

We first allocate each individual change its corresponding point before tallying the total points for each insurance company. For comparison purposes, we incorporated the ratio of NP/VC in order to account for the variation in number of changes between Payers. Our findings in this metric are:

Insurance Company	NP
WORST	
HealthNet	6.27
GreatWest	6.00
AmeriChoice	5.40
Fallon Healthcare	5.40
UnitedHealthcare	5.38
Humana	5.35
Aetna	5.25
AmeriHealth	5.25
AmeriGroup	5.19
Independence BC	4.96
Cigna	4.59
Anthem*	4.24
Dean Health Care	4.05
BCBS of Illinois	3.89
Harvard Pilgrim	3.38
Unicare	3.22
BCBS of Massachusetts	2.36
Oxford Health Plans	0.79

BEST

HealthNet was positively the worst for providing notification of changes to providers, often posting information long after changes went in to effect. Oxford Health Plans did very well in this category by a large margin, primarily due to providing notification of policy changes 30 days in advance of effective date.



5. Posting Integrity (PI)

Posting Integrity measures policies posted on-line with a retro-active date, or policies altered without an update or revision date being added. Tracking insurers' web sites every day allows us to see when notifications have been back-dated or altered. Because we view this practice as highly deceptive we allocated a separate ranking for this metric and Payers observed retro-posting or altering information without notification are tagged with a penalty score.

UnitedHealthcare was the only company in the first quarter, who scored in this category, earning 15 penalty points in total (5 points for each occurrence).

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*Anthem Blue Cross and Blue Shield is the trade name for the following: In Connecticut: Anthem Health Plans, Inc. In Colorado, Rocky Mountain Hospital and Medical Service, Inc. In Indiana: Anthem Insurance Companies, Inc. In Georgia: Blue Cross and Blue Shield of Georgia, Inc. and Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. In Indiana: Anthem Insurance Companies, Inc. In Kentucky: Anthem Health Plans of Kentucky. In Maine: Anthem Health Plans of Maine, Inc. In Missouri: RightCHOICE Managed Care, Inc. (RIT), Healthy Alliance Life Insurance Company (HALIC) and HMO Missouri, Inc. In Nevada: Rocky Mountain Hospital and Medical Service, Inc. In New Hampshire: Anthem Health Plans of New Hampshire, Inc. In Ohio: Community Insurance Company. In Virginia: Anthem Health Plans of Virginia, Inc. In Wisconsin: Blue Cross Blue Shield of Wisconsin (BCBSWi) and CompCare Health Services Insurance Corporation (CompCare). All other Anthem plans including Empire Blue Cross Blue Shield and Blue Cross of California are *excluded*.