

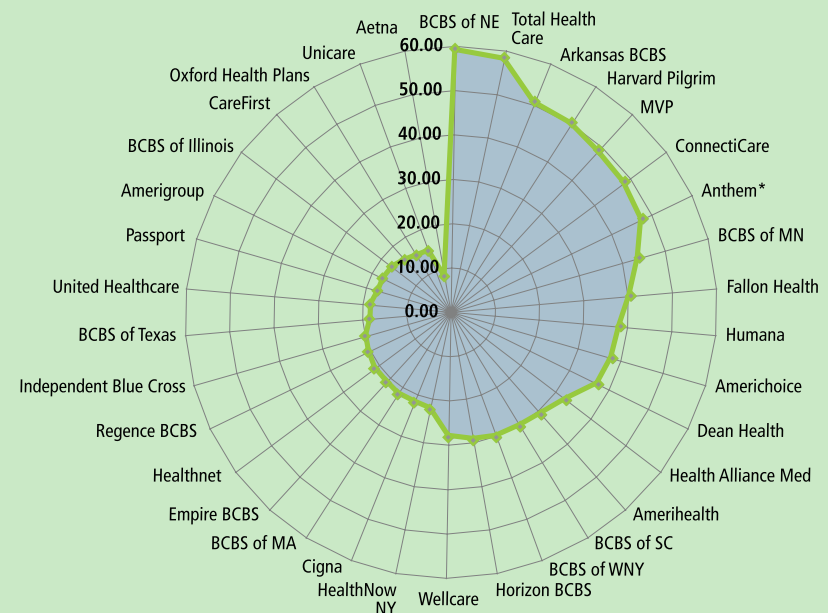
The Verden Quarterly Report: Managed Care Company Rankings | Quarter 2, 2008

Total Score: Worst to Best

Rank	Insurance Company	Total Score	Rank	Insurance Company	Total Score
1. WORST					
1	BCBS of NE	59.20	18	Wellcare	28.32
2	Total Health Care	58.31	19	HealthNow NY	22.39
3	Arkansas BCBS	50.62	20	Cigna	21.94
4	Harvard Pilgrim	50.23	21	BCBS of MA	21.93
5	MVP	49.02	22	Empire BCBS	21.41
6	ConnectiCare	48.61	23	Healthnet	21.33
7	Anthem*	47.89	24	Regence BCBS	20.55
8	BCBS of MN	44.05	25	Independent Blue Cross	19.94
9	Fallon Health	40.76	26	BCBS of Texas	18.30
10	Humana	38.58	27	United Healthcare	18.26
11	Americhoice	38.22	28	Passport	17.23
12	Dean Health	37.41	29	Amerigroup	17.15
13	Health Alliance Med	33.09	30	BCBS of Illinois	16.80
14	Amerihealth	31.24	31	CareFirst	15.68
15	BCBS of SC	30.51	32	Oxford Health Plans	14.90
16	BCBS of WNY	30.30	33	Unicare	14.67
17	Horizon BCBS	29.56	34	Aetna	8.08

34. 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 with an effective date from April 1, 2008 to June 30, 2008 (Q2 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 04/01/2008 and 6/30/2008 (Q2 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., and did not qualify for ranking in Q2 due to a lack of activity on its web site.

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

Who we measured:

Of the 160+ insurance companies the Verden Group tracks on a daily 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. Sixteen more companies qualified for ranking in Q2 bringing the number to 34 companies ranked in this report.

The insurance companies included in this report are:

Aetna	Empire BCBS
AmeriChoice	Fallon Health
Amerigroup	Harvard Pilgrim
Amerihealth	Health Alliance Med
Anthem*	Healthnet
Arkansas BCBS	HealthNow NY
BCBS of Illinois	Horizon BCBS
BCBS of MA	Humana
BCBS of MN	Independent Blue Cross
BCBS of NE	MVP
BCBS of SC	Oxford Health Plans
BCBS of Texas	Passport
BCBS of WNY	Regence BCBS
CareFirst	Total Health Care
Cigna	Unicare
ConnectiCare	United Healthcare
Dean Health	Wellcare

This quarter we have added 16 companies to the rankings bringing the total to 34 companies ranked for Q2, 2008. Once again, Aetna beats the competition by a large margin thanks to relatively minor policy changes and clarity of communication. At the other end of the spectrum, the worst performing companies primarily had a combination of poor communication and additional administrative costs to providers producing higher numbers.

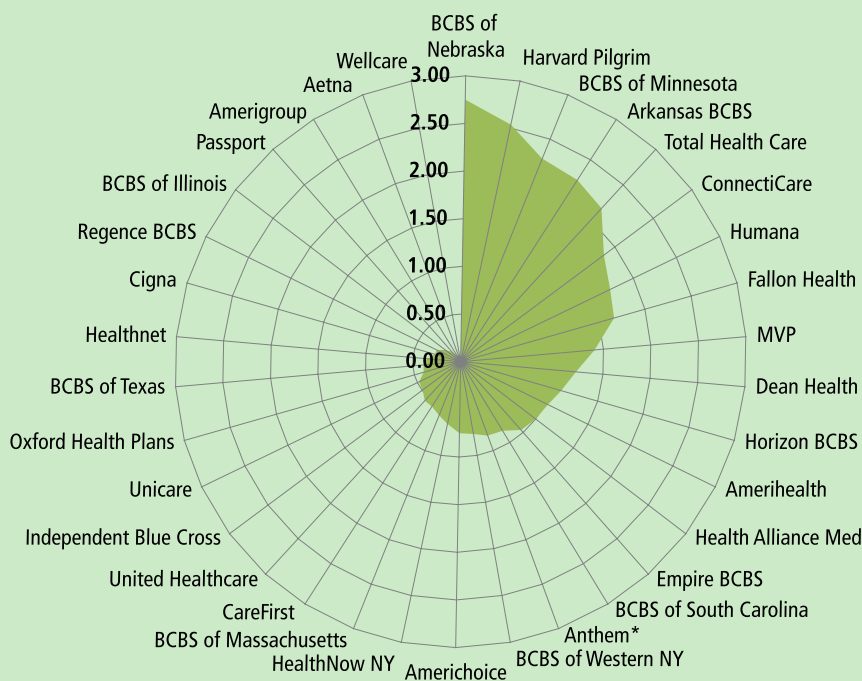
1. Cost to Provider (CP)

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	
BCBS of Nebraska	2.75
Harvard Pilgrim	2.53
BCBS of Minnesota	2.29
Arkansas BCBS	2.25
Total Health Care	2.17
ConnectiCare	1.86
Humana	1.73
Fallon Health	1.67
MVP	1.41
Dean Health	1.22
Horizon BCBS	1.10
Amerihealth	1.02
Health Alliance Med	1.00
Empire BCBS	0.96
BCBS of South Carolina	0.86
Anthem*	0.83
BCBS of Western NY	0.77
Americhoice	0.75
HealthNow NY	0.67
BCBS of Massachusetts	0.60
CareFirst	0.56
United Healthcare	0.55
Independent Blue Cross	0.49
Unicare	0.48
Oxford Health Plans	0.40
BCBS of Texas	0.39
Healthnet	0.35
Cigna	0.29
Regence BCBS	0.29
BCBS of Illinois	0.21
Passport	0.14
Amerigroup	0.08
Aetna	0.07
Wellcare	0.00
BEST	



Wellcare leads the list with no additional costs incurred to providers and while Aetna published plenty of changes, most were simply literature review and guideline updates. BCBS of NE instituted a number of coding and billing changes as well as altering its timely filing policy, impacting its ranking heavily. BCBS of MN also ranked poorly thanks to a number of modified forms and policies updated to include preauthorization. Harvard Pilgrim followed the same provider-costly strategy of increasing preauthorization and administrative burdens. While we expected to see an emergence of cost-cutting strategies in Q2 due to market pressures, we were surprised to see lower numbers for the larger plans over Q1, with the smaller, more regional plans taking the lead in employing this strategy instead.

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.

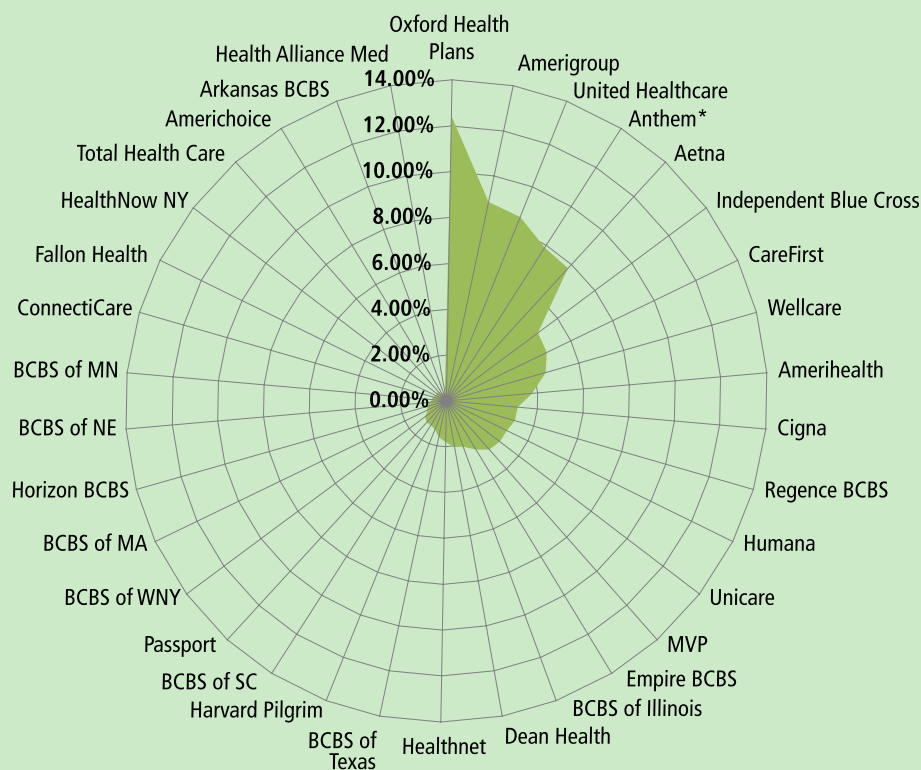
Points are determined by measuring the volume of change by each insurance company compared to overall volume in

percentage. Each individual change with an effective date between 04-01-2008 and 6-30-2008 is included in the dataset for each of the 34 insurance companies mentioned above.

These points accounted for 18% of the aggregate score.

Insurance Company	% of Total		
WORST			
Oxford Health Plans	12.42%	Healthnet	1.79%
Amerigroup	8.85%	BCBS of Texas	1.61%
United Healthcare	8.58%	Harvard Pilgrim	1.34%
Anthem*	7.86%	BCBS of SC	1.25%
Aetna	7.77%	Passport	1.25%
Independent BC	4.92%	BCBS of WNY	1.16%
CareFirst	4.83%	BCBS of MA	0.89%
Wellcare	4.47%	Horizon BCBS	0.89%
Amerihealth	3.75%	BCBS of NE	0.71%
Cigna	3.13%	BCBS of MN	0.63%
Regence BCBS	3.13%	ConnectiCare	0.63%
Humana	2.95%	Fallon Health	0.54%
Unicare	2.95%	HealthNow NY	0.54%
MVP	2.86%	Total Health Care	0.54%
Empire BCBS	2.50%	Americhoice	0.36%
BCBS of Illinois	2.14%	Arkansas BCBS	0.36%
Dean Health	2.06%	Health Alliance Med	0.36%
Total	100%		
		BEST	

Again this quarter we see that the largest payers are responsible for the highest volume of change, given their national and multiple market presence. Therefore it is interesting to note that Anthem, United Healthcare and particularly Cigna’s volume decreased in Q2 over Q1. This may be reflective of a shift in focus from provider initiatives to membership strategies as the insurance market continues to see steep declines in membership numbers and profits.



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

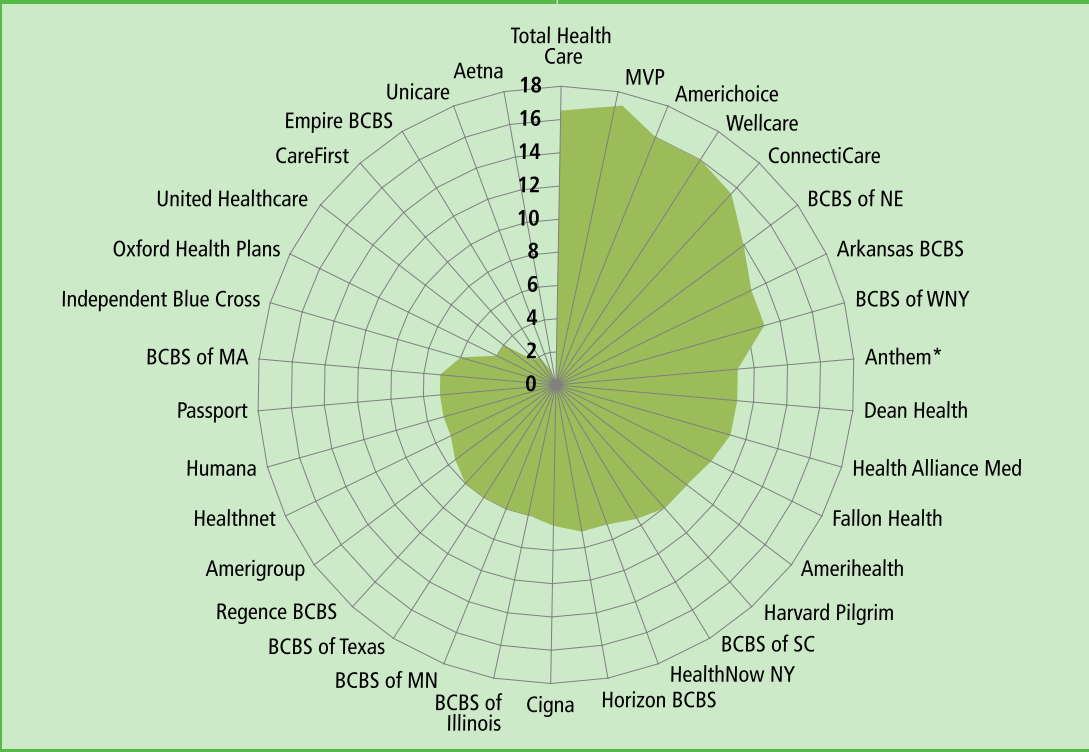
policy, its effective date, and what change occurred. The easier it is to find medical policies and updates on the site, the fewer points awarded. High points are given to insurers that keep their policies and network news behind a log in barrier.

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			
Total Health Care	18	Cigna	8.5
MVP	17.5	BCBS of Illinois	8
Americhoice	16	BCBS of MN	8
Wellcare	16	BCBS of Texas	8
ConnectiCare	15.5	Regence BCBS	8
BCBS of NE	14	Amerigroup	7.5
Arkansas BCBS	13	Healthnet	7
BCBS of WNY	13	Humana	7
Anthem*	11	Passport	7
Dean Health	11	BCBS of MA	7
Health Alliance Med	11	Independent Blue Cross	6
Fallon Health	10.5	Oxford Health Plans	4
Amerihealth	10	United Healthcare	4
Harvard Pilgrim	10	CareFirst	2
BCBS of SC	9.5	Empire BCBS	2
HealthNow NY	9	Unicare	1
Horizon BCBS	9	Aetna	0
Total			100%
			BEST

Congratulations to Oxford Health Plans for modifying the way its policy updates are posted. Log in is no longer required to access policies, and changes are now clearly listed on the update page. MVP ranked badly due to log in criteria and lack of effective dates and change history within the policies themselves. And it's worth noting that Arkansas BCBS positively has the worst layout as all of its medical policies are listed in one large PDF manual, without a table of contents to identify the various policies listed within.



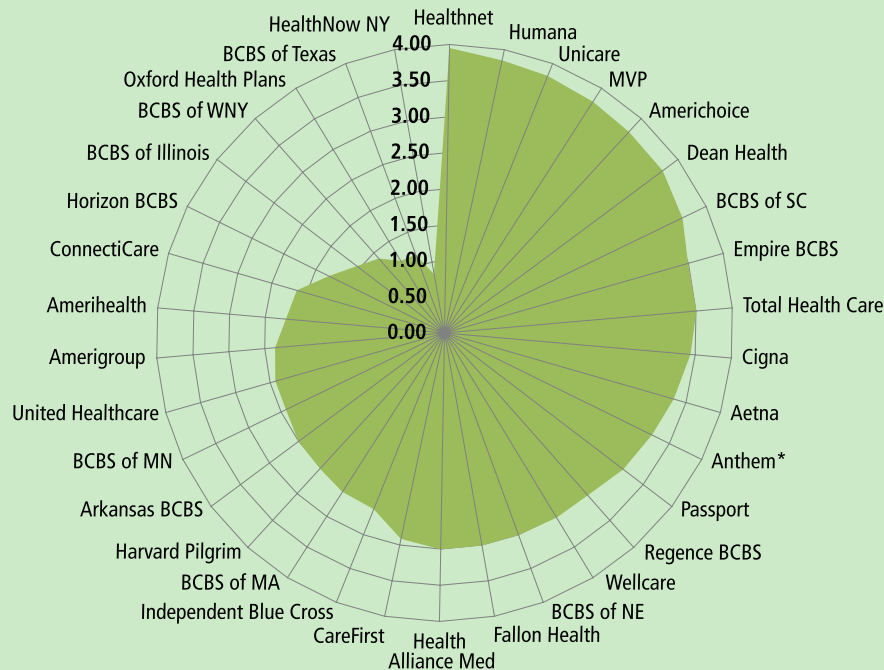
4. Notification Period (NP)

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 to 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	3.95
Humana	3.85
Unicare	3.82
MVP	3.78
Americhoice	3.75
Dean Health	3.74
BCBS of SC	3.64
Empire BCBS	3.50
Total Health Care	3.50
Cigna	3.43
Aetna	3.32
Anthem*	3.23
Passport	3.14
Regence BCBS	3.03
Wellcare	3.02
BCBS of NE	3.00
Fallon Health	3.00
Health Alliance Med	3.00
CareFirst	2.91
Independent Blue Cross	2.62
BCBS of MA	2.60
Harvard Pilgrim	2.53
Arkansas BCBS	2.50
BCBS of MN	2.43
United Healthcare	2.43
Amerigroup	2.35
Amerihealth	2.21
ConnectiCare	2.14
Horizon BCBS	1.80
BCBS of Illinois	1.54
BCBS of WNY	1.38
Oxford Health Plans	1.18
BCBS of Texas	1.17
HealthNow NY	0.83
BEST	



HealthNet remains the worst in this category for the second straight quarter. Meanwhile, we saw improvement across many insurers that were ranked in Q1 in terms of getting information posted timely to their web sites. Oxford Health Plans took a dip due to some policies being revised with a NJ mandate effective in April that required back-dating in June. United Healthcare held some policies past the effective date but overall did a better job of getting information posted with more time prior to effective date than in Q1, resulting in great improvement overall. IBX and AmeriHealth's improvement in their rankings over Q1 is due to the recent addition of a 'recently released policies' section on both sites, despite not listing effective dates in their policies.

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.

We were pleased to see no infractions incurred in this category in Q2.

Certificates of Merit have been issued to the following companies:

Aetna Health Plans

Most Provider-Friendly Insurer

Q1, 2008

Q2, 2008

Oxford Health Plans

Most Improved Clarity of Communication

Q2, 2008

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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).