



## Managed Care Company Rankings

The goal of the Verden rankings system is to evaluate how well or how 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 in the form of policy changes posted on their web sites. For the purpose of this report, data with an effective date from June 1, 2009 to September 30, 2009 (Q2) is eligible for ranking. Please see 'Who We Measured' on page 2 for more information about the Payers selected.

**We remind our readers that these are QUARTERLY rankings, and as such, an insurer may do better or worse in any given quarter than the quarter before. Therefore, our reports are not representative of overall performance, but instead provide a snapshot assessment of activity on these insurers' websites over the prior three month period. Ranking accumulation tables at the end of this report provide a comparison to Q1, 2009.**

## What's New

This past quarter we have seen tremendous change in the health care market as health care reform comes closer to reality. While many insurers appeared to have initially supported reform, that support was based mainly on opportunities that would come from government-subsidized mandated coverage for all (i.e. new customers for insurers without any risk). As the debate heats up, insurers will be busy going about business as usual – making hay while the sun shines, is the term that comes to mind – but expect things to change quickly by the second quarter, 2010. The name of the game has switched to 'value-based payment' and TAG!, you're it.

The Value-based Payment (VBP) concept is based on payment being made to providers for producing quality outcomes, delivered in a safe environment, resulting in a satisfied patient at a reasonable cost over time. VBP models include Shared Savings/Gain Sharing, Narrow Networks, Bundled Episodes of Care, Comprehensive Care / Comprehensive Pay (Medical Home) and the Prometheus Payment model. Watch out for these terms – they'll be coming soon to an insurer near you. (We've listed some more details and links on the last page of this report under our Literature Review section should you wish to read up on this topic now)

Meanwhile, over at the Verden Group we've been busy redesigning our website and adding new services for our hospital, physician and vendor clients. We are delighted to announce that we have added a lawyer to our team to help with contract negotiations, partnership agreements and mediation, compliance and regulatory issues, labor law and, of course, policy issues.

In 2010, you can expect to see an interactive section on our new site dedicated to these rankings, as well as other reports and score-cards including a new annual rankings of insurers web features and functionality.

In the meantime, please feel free to send us feedback on our work anytime – we are eager to hear how you are using the rankings information and any ways in which we could improve the data for you.

Wishing our rankings readers a very happy holiday season!



**Susanne Madden**  
President and CEO

## What we measured

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

Data selected for measurement are those policies with an effective date occurring between 7/01/2009 and 9/30/2009 (Q3, 2009). 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

*HIP and GHI have become more fully integrated under EmblemHealth, however, it has not brought together the GHI and HIP websites. Instead, there is now an Emblem site, and both the GHI and HIP sites remain. Where do you go for information? Looks like you'll need to access all three.*

*Reminder: 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 endnote for the Anthem\* plans evaluated under that name in these rankings.*

## When we measure

Ranking reports are usually issued within 6 – 8 weeks after the close of the quarter. This allows enough time to capture and post any tardy policy changes that are made effective within the quarter's timeframe but posted by insurers after the quarter closes, as well as the extensive time necessary to appropriately analyze and grade each of the alerts issued by the insurance companies that qualify for ranking.

## Who we measured

Of the insurance companies tracked by MPV on a daily basis, these were the insurers ranked this quarter.

Aetna	CareFirst BCBS
AmeriChoice	CIGNA Corporation
AmeriGroup	Emblem GHI / HIP
AmeriHealth	Empire BCBS / Wellpoint
Anthem	Excellus BCBS
Asuris	Fallon Community Health Plan
BCBS of Alabama	Harvard Pilgrim Health Care
BCBS of Florida	Health Partners, Inc.
BCBS of Georgia	Horizon
BCBS of Illinois	Humana Inc.
BCBS of Louisiana	Independence Blue Cross
BCBS of Massachusetts	LifeWise Health Plan
BCBS of Minnesota	Oxford Health Plans, LLC
BCBS of Mississippi	Premera Blue Cross
BCBS of Montana	Priority Health
BCBS of New Mexico	Regence
BCBS of North Carolina	Tufts Health Plans
BCBS of Oklahoma	UniCare
BCBS of Rhode Island	United Healthcare
BCBS of South Carolina	Univera Healthcare
BCBS of Tennessee	Wellcare
BCBS of Texas	Wellmark, Inc.
Blue Cross of Northeastern Pennsylvania	

## 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

## How we measured

**1. 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 allocate each individual change a corresponding point before tallying the total points in a given metric for each insurance company. For comparison purposes, we incorporate the ratio of CP/VC in order to account for the variation in number of changes between Payers.

**2. Volume of Change** takes into account the total amount of policy and procedure change across all categories - medical, administrative, pharmacy and reimbursement – experienced by physicians in a given 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 the beginning and end of the quarter is included in the dataset for each of the insurance companies assessed. These points account for 18% of the aggregate score.

**3. Clarity of Communication** indicates how well or how poorly insurers make information available on their web sites and how clearly those changes are communicated in updated policies. Of the insurers ranked, their websites are utilized as the 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. However, if providers participate with more than an insurer or two, this is a near-

impossible task as it requires constant monitoring and the ability to know exactly what has changed when updates are posted. The MPV Payer subscription service tracks these changes for you by insurer and specialty; please visit their website at [mpv.com/sol\\_payer\\_alert.php](http://mpv.com/sol_payer_alert.php) for further information.

This measurement captures whether insurers' clearly identify a new or modified policy, its effective date, and what changes actually occurred. The easier it is to find medical

policies and updates on the site, the fewer points allocated. Additional 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 alerts, for each insurance company.

These points account for 25% of the aggregate score.

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

These points account for 7% of the aggregate score.

**5. 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 allocate a separate ranking for this metric and Payers observed retro-posting or altering information without notification are tagged with a penalty score.

# Overall Rankings

Rank	Total Score	Rank	Total Score	Rank	Total Score	Rank	Total Score
<b>1 Aetna</b>	<b>10.15</b>	13 CareFirst BCBS	22.70	24 Excellus BCBS	28.39	36 Asuris	34.51
2 LifeWise Health Plan	12.72	14 Oxford Health Plans, LLC	23.50	25 BCBS of Florida	28.64	37 Regence	35.03
3 Priority Health	16.00	15 Blue Cross of Northeastern Pennsylvania	24.24	26 CIGNA Corporation	28.73	38 Emblem GHI / HIP	36.86
4 UniCare	16.05	16 Harvard Pilgrim Health Care	24.99	27 Univera Healthcare	29.12	39 AmeriHealth	36.92
5 Premera Blue Cross	16.34	17 Wellmark, Inc.	25.54	28 BCBS of North Carolina	29.13	40 Independence Blue Cross	37.29
6 BCBS of Illinois	17.62	18 BCBS of Tennessee	26.02	29 BCBS of Georgia	29.73	41 BCBS of Louisiana	38.57
7 BCBS of Oklahoma	18.80	19 BCBS of Rhode Island	26.47	30 AmeriGroup	30.44	42 Empire BCBS / Wellpoint	39.00
8 BCBS of Mississippi	19.70	20 Tufts Health Plans	27.31	31 Anthem	30.83	43 BCBS of South Carolina	41.39
9 BCBS of Montana	20.62	21 Health Partners, Inc.	27.68	32 BCBS of Alabama	31.44	44 AmeriChoice	46.82
10 BCBS of Texas	21.64	22 United Healthcare	27.78	33 Wellcare	32.30	<b>45 Horizon</b>	<b>52.72</b>
11 BCBS of Minnesota	21.96	23 BCBS of Massachusetts	28.22	34 Fallon Community Health Plan	33.72		
12 BCBS of New Mexico	22.32			35 Humana Inc.	34.38		

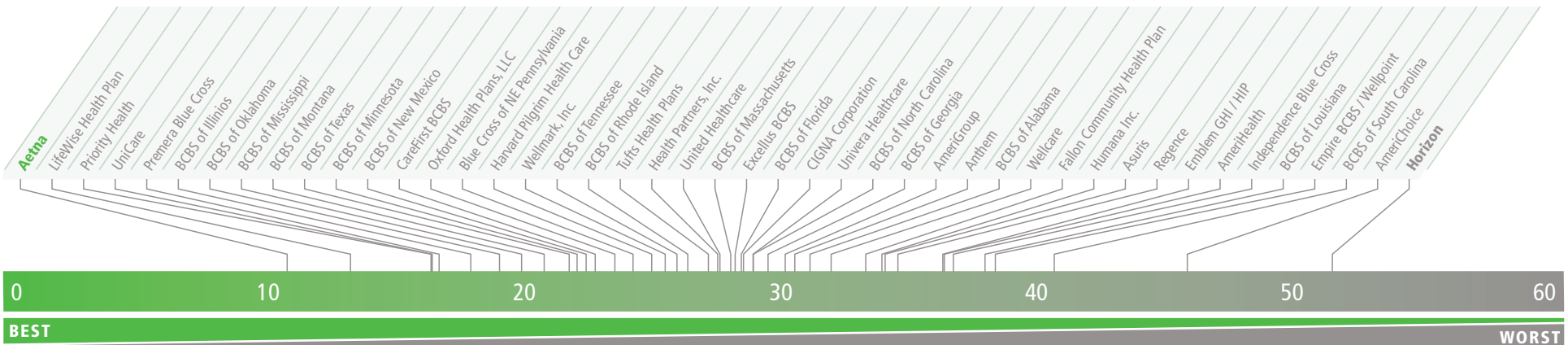
This quarter Aetna regains its position at the top of the list once again, based primarily on its investment in preventive screenings and holding the line on adding to provider cost. Lifewise, the top ranked company in Q1 and Q2, slipped to second place and although Priority Health took third place, Unicare's and Premera's points were very close behind. The big news is Premera shaving its points in half over the previous quarter thanks in great measure to its focus on reducing red tape through improved technology and utilizing evidence-based clinical data to support its policy-making. Premera has streamlined its claims resolutions and appeals processes, developed educational pieces regarding claims management and announced a new web-based technology to providers and office personnel that calculates the patient's share of cost at the point of service.

Several of the Blues plans seems to have gotten their ducks in a row in terms of adopting similar policies. The BCBS Quad owned by HCSC: BCBS of Texas, Oklahoma, Illinois and New Mexico, once again has a 5 point spread between its four companies, with its points increasing over last quarter due to inconveniently moving coding out of several policies to be replaced with 'Refer to the ICD-9-CM Manual'. Why make providers have to look in two places?

Horizon took a major tumble. While this insurer has now added iScribe and RxNOW and implemented health and wellness programs to support physician treatment plans to its offerings, a reduction in physician phone service and pre-cert department call center hours and multiple policy changes knocked it straight to the bottom of the list.

AmeriChoice also went in to free-fall this quarter, due to changes in its refund request process, modification made to several reimbursement policies and the addition of pre-authorizations to existing services.

Overall trends include continued and sustained investment in web-enabled technologies, creation of educational material and how-to guides, and the addition of several wellness and disease-support programs. Could it be that insurers are finally understanding the value of investing in preventative care and realizing that well-informed networks utilizing efficient processes could be much more effective in delivering care? We'll see.



# 1. Cost to Provider (CP)

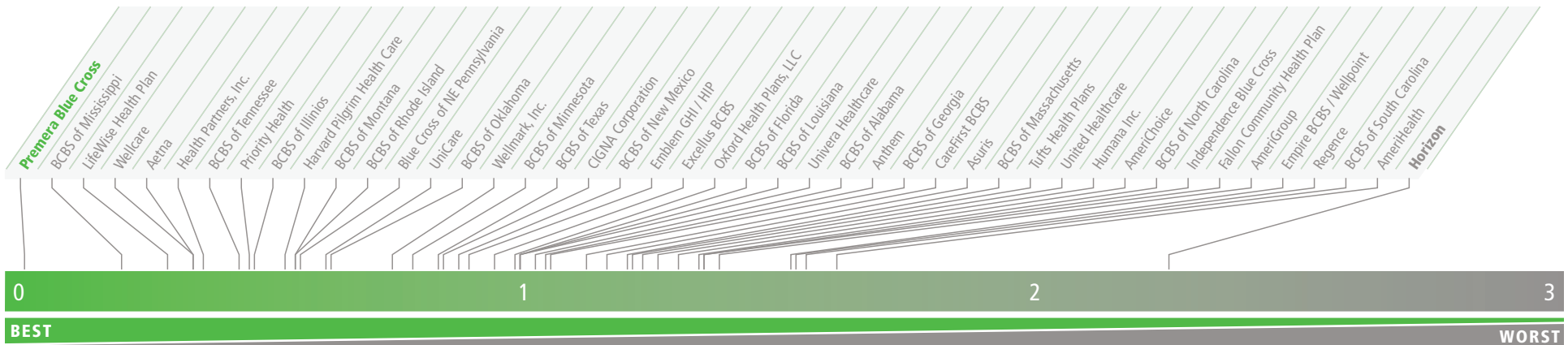
Rank	Total Score	Rank	Total Score	Rank	Total Score	Rank	Total Score	
<b>1</b>	<b>Premera Blue Cross</b>	<b>0.03</b>	11	Blue Cross of Northeastern Pennsylvania	0.57	22	BCBS of Florida	1.00
2	BCBS of Mississippi	0.22				22	BCBS of Louisiana	1.00
3	LifeWise Health Plan	0.31	12	UniCare	0.62	22	Univera Healthcare	1.00
4	Wellcare	0.36	13	BCBS of Oklahoma	0.63	23	BCBS of Alabama	1.03
4	Aetna	0.36	14	Wellmark, Inc.	0.75	24	Anthem	1.05
5	Health Partners, Inc.	0.38	15	BCBS of Minnesota	0.79	25	BCBS of Georgia	1.06
6	BCBS of Tennessee	0.45	16	BCBS of Texas	0.84	26	CareFirst BCBS	1.13
7	Priority Health	0.47	17	CIGNA Corporation	0.85	27	Asuris	1.17
8	BCBS of Illinois	0.48	18	BCBS of New Mexico	0.88	28	BCBS of Massachusetts	1.21
9	Harvard Pilgrim Health Care	0.54	19	Emblem GHI / HIP	0.90	29	Tufts Health Plans	1.22
10	BCBS of Montana	0.56	20	Excellus BCBS	0.95	30	United Healthcare	1.24
10	BCBS of Rhode Island	0.56	21	Oxford Health Plans, LLC	0.99	31	Humana Inc.	1.27
						32	AmeriChoice	1.31
						33	BCBS of North Carolina	1.35
						34	Independence Blue Cross	1.36
						34	Fallon Community Health Plan	1.36
						35	AmeriGroup	1.39
						36	Empire BCBS / Wellpoint	1.53
						37	Regence	1.54
						38	BCBS of South Carolina	1.56
						39	AmeriHealth	1.62
						<b>40</b>	<b>Horizon</b>	<b>2.27</b>

Kudos to Premera for topping the chart thanks to its investments in creating Total OnBoarding and other useful technological services for its network.

In a reversal of last quarter's policy, AmeriChoice reversed its relaxation of prior authorization policies in Q3, dropping it down the ranks considerably. Meanwhile Aetna climbed the chart due to its reserved policy-making this quarter. Wellmark climbed up from the bottom of the pile in Q2, thanks to the adoption of new policies for treating certain cancers and making its drug list electronically available. After making major changes to its formulary and step-therapies, we were pleased to see a functional, easy-to-use online formulary rolled out this quarter.

United Healthcare has had little movement in the last few quarters, consistently hovering at close to the same point level. It continues to have a high volume of change with regard to administrative initiatives that keep cost up for its network to manage. We were pleased to see a serious effort with regard to investing in clinical support services such as offering clinical consultative services and resources to your practice free-of-charge, and special plans and programs targeted at diabetes prevention and management. It also continues to invest heavily in technology, releasing new patient ID cards that can be used with readers that allow access to real-time patient information.

We continue to observe little innovation over at Humana as it continues to trail in the rankings with the same old strategies of adding drug prior authorizations and step-therapy, but the booby prize has to go to Empire BCBS for its implementation an out-of-network referral policy which threatens its participating network providers with financial penalties and contract termination should they refer outside the network for non-emergent services.



## 2. Volume of Change (VC)

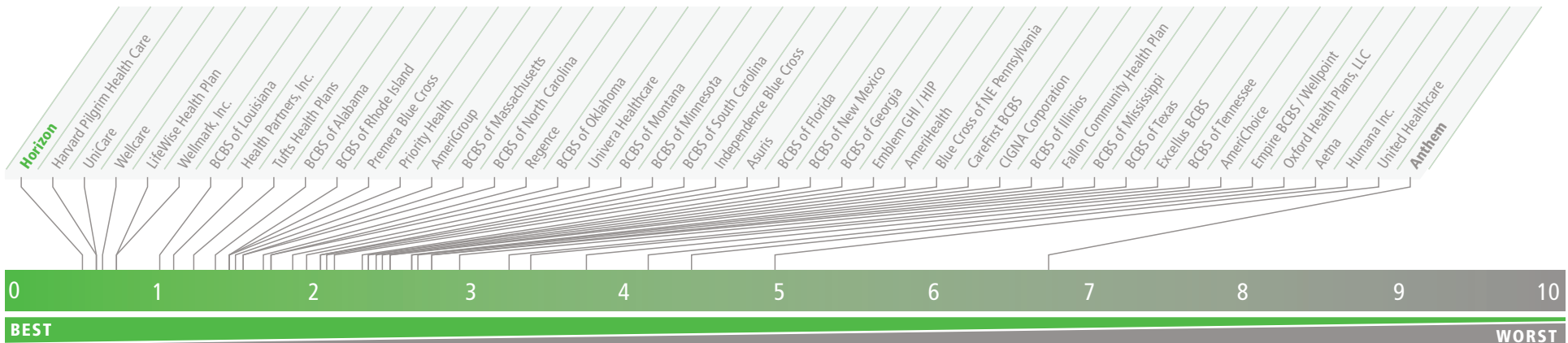
Rank	Total Score	Rank	Total Score	Rank	Total Score	Rank	Total Score
<b>1 Horizon</b>	<b>0.51%</b>	9 Priority Health	1.47%	18 BCBS of Florida	2.16%	26 BCBS of Texas	2.80%
2 Harvard Pilgrim Health Care	0.60%	10 AmeriGroup	1.52%	19 BCBS of New Mexico	2.34%	26 Excellus BCBS	2.80%
2 UniCare	0.60%	11 BCBS of Massachusetts	1.56%	20 BCBS of Georgia	2.39%	27 BCBS of Tennessee	2.99%
3 Wellcare	0.64%	11 BCBS of North Carolina	1.56%	20 Emblem GHI / HIP	2.39%	28 AmeriChoice	3.31%
4 LifeWise Health Plan	0.74%	12 Regence	1.70%	21 AmeriHealth	2.44%	29 Empire BCBS / Wellpoint	3.45%
4 Wellmark, Inc.	0.74%	13 BCBS of Oklahoma	1.75%	22 Blue Cross of Northeastern Pennsylvania	2.48%	30 Oxford Health Plans, LLC	3.81%
5 BCBS of Louisiana	1.01%	13 Univera Healthcare	1.75%	23 CareFirst BCBS	2.53%	31 Aetna	4.23%
6 Health Partners, Inc.	1.10%	14 BCBS of Montana	1.88%	23 CIGNA Corporation	2.53%	32 Humana Inc.	4.50%
7 Tufts Health Plans	1.24%	15 BCBS of Minnesota	1.98%	24 BCBS of Illinois	2.67%	33 United Healthcare	5.06%
8 BCBS of Alabama	1.38%	16 BCBS of South Carolina	2.07%	24 Fallon Community Health Plan	2.67%	<b>34 Anthem</b>	<b>6.85%</b>
9 BCBS of Rhode Island	1.47%	16 Independence Blue Cross	2.07%	25 BCBS of Mississippi	2.71%		
9 Premera Blue Cross	1.47%	17 Asuris	2.11%				

Once again we see an increase in the volume of the change across all payers. While some of the companies ranked this quarter have changed (quarter-to-quarter companies qualify or disqualify from inclusion depending on certain criteria) across the board we have seen a 23% increase in volume over the previous quarter. In Q2, we saw volume dip as insurers held their breath to see how the healthcare reform bills would shape up. With push-back on the industry from the Obama administration it would appear that it is not just business as usual, but for some, back with a vengeance!

While Horizon had few changes, the few that were made were costly to its network. Anthem, United, Aetna and Humana continue to have the greatest volume of change. It is worth noting that these companies have remained fairly consistent in the percentage of change quarter-to-quarter and is therefore, as noted in previous reports, primarily simply a function of these companies size and reach.

While we have seen fewer changes to reimbursement rates in Q3, insurers have begun shifting to new pricing models (see 'What's New'

and 'Literature Review' for more information on that) and implementing tighter controls on network physicians (see Overall Rankings for example - Empire BCBS' out-of-network penalty).



# 3. Clarity of Communication (CC)

Rank	Total Score	Rank	Total Score	Rank	Total Score	Rank	Total Score
1	Aetna	0		6	BCBS of Texas	6	
2	UniCare	1		7	AmeriGroup	6.5	
3	CareFirst BCBS	2		8	BCBS of Florida	7	
3	LifeWise Health Plan	2		8	BCBS of Georgia	7	
4	Oxford Health Plans, LLC	4		8	BCBS of Massachusetts	7	
4	Priority Health	4		8	BCBS of Minnesota	7	
5	BCBS of North Carolina	5		8	BCBS of Mississippi	7	
5	Tufts Health Plans	5		8	BCBS of Montana	7	
5	United Healthcare	5		8	Excellus BCBS	7	
6	BCBS of Illinois	6		8	Univera Healthcare	7	
6	BCBS of New Mexico	6		8	Premera Blue Cross	7	
6	BCBS of Oklahoma	6		9	Anthem	8	
				9	Humana Inc.	8	
				9	Regence	8	
				9	Wellmark, Inc.	8	
				10	CIGNA Corporation	8.5	
				11	AmeriHealth	9	
				11	BCBS of Alabama	9	
				11	BCBS of Rhode Island	9	
				11	Blue Cross of Northeastern Pennsylvania	9	
				11	Harvard Pilgrim Health Care	9	
				12	Fallon Community Health Plan	9.5	
				13	Empire BCBS / Wellpoint	10	
				14	Asuris	10.5	
				15	BCBS of South Carolina	11	
				15	BCBS of Tennessee	11	
				16	Independence Blue Cross	12	
				17	Health Partners, Inc.	13	
				18	BCBS of Louisiana	14	
				18	Emblem GHI / HIP	14	
				18	Horizon	14	
				19	Wellcare	16	
				20	AmeriChoice	17	

There has been no improvement to either Empire BCBS or AmeriChoice scores this quarter over last. We continue to see some confusing information being output from both companies, where dates don't match up and policy change notifications are hard to find.

Premera really tackled its CC issue, moving from 11 points in previous quarters to 7 in Q3 by making some simple but effective modifications to its site. It now lists a 'Popular Topics' front and right on the Provider home page, with clearly identified links to its policies (access to its bulletins and newsletter can be found directly underneath). The policies page itself has been upgraded to include a 'Recent Updates' section detailing changes in the last 30 days, and the entire section of PDFs is searchable by keyword.

As stated in previous rankings, those companies that continue to score the worst are those that issue policies without effective dates, and/or updates without details about what has actually changed in those policies. This not only causes confusion for providers, but allows for certain insurers to routinely breach contract

agreements regarding notification periods (e.g. in the case where policy changes have to be posted 30 days prior to implementation, it would be impossible to contest this if no effective and update dates are given). You know who you are.

We continue to call for basic standards to be adopted across insurance networks to ensure that a minimum set of criteria is present for each policy. Those standards need to include:

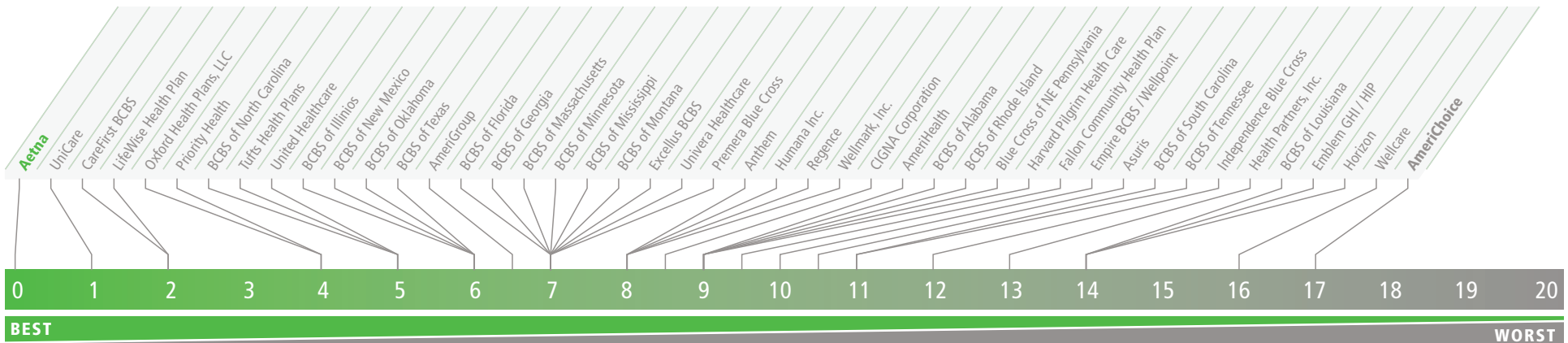
- Original policy effective date and the date policy was posted to site
- Date policy was updated and the date those changes became effective
- Clear statement history within each policy about what precisely changed or was updated

In addition, policies should be easy to find on websites, should not be hidden behind a security layer (log in and password requirement) and providers should be able to search policies by CPT / HCPCS / ICD codes and keywords. Notification of upcoming changes should be prevalent. For example, both Oxford

Health Plans and Aetna publish lists of policy changes by date, listed in an obvious and easy-to-find place.

While some insurers have engaged network providers to provide feedback on their sites and accessibility to information, much more needs to be done in terms of improving not just the information itself but how users can reach and use it. **Suggestion to Payers: talk to information experts if you really want to crack this issue.**

Last quarter we mentioned that BCBS of Texas / Illinois / New Mexico / Oklahoma had pages dedicated to 'pending policies' and a 'policy update' section where effective and change implementation dates are clearly noted and had implemented a change history within each policy allows providers to better understand what has changed and be able to act upon those changes. This quarter, we have seen that quad decide to remove coding from policies and refer readers to 'Refer to the ICD-9-CM Manual'. Not very efficient for users and causing these companies to gain 3 points a piece.

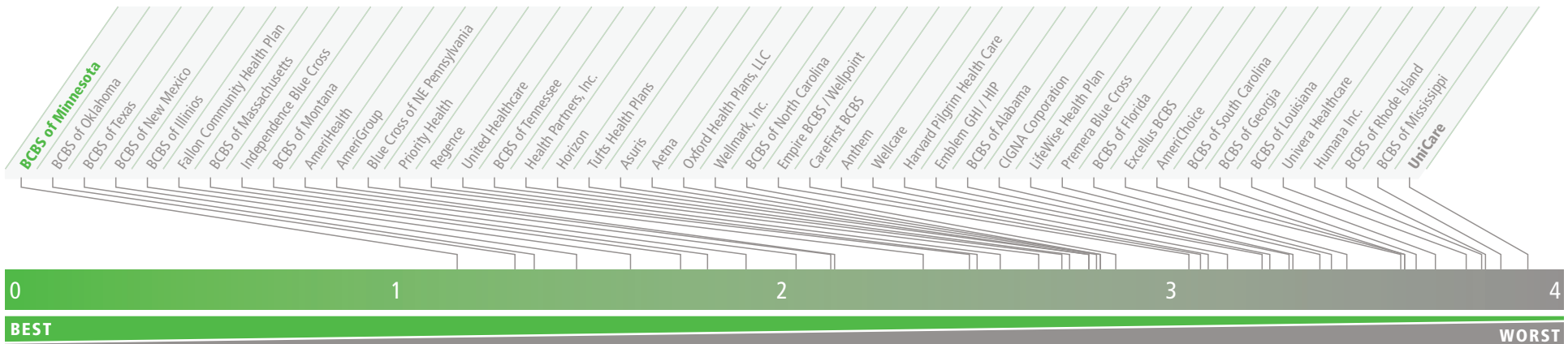


## 4. Notification Period (NP)

Rank	Total Score	Rank	Total Score	Rank	Total Score	Rank	Total Score				
1	<b>BCBS of Minnesota</b>	1.14	13	Priority Health	2.47	24	CareFirst BCBS	3.07	36	BCBS of Georgia	3.63
2	BCBS of Oklahoma	1.29	14	Regence	2.49	25	Anthem	3.09	37	BCBS of Louisiana	3.68
3	BCBS of Texas	1.34	15	United Healthcare	2.55	26	Wellcare	3.14	38	Univera Healthcare	3.76
4	BCBS of New Mexico	1.45	16	BCBS of Tennessee	2.65	27	Harvard Pilgrim Health Care	3.23	39	Humana Inc.	3.80
5	BCBS of Illinois	1.59	17	Health Partners, Inc.	2.71	28	Emblem GHI / HIP	3.25	40	BCBS of Rhode Island	3.81
6	Fallon Community Health Plan	1.72	18	Horizon	2.73	29	BCBS of Alabama	3.30	41	BCBS of Mississippi	3.85
7	BCBS of Massachusetts	1.79	19	Tufts Health Plans	2.78	30	CIGNA Corporation	3.31	42	<b>UniCare</b>	<b>3.92</b>
8	Independence Blue Cross	1.89	19	Asuris	2.78	31	LifeWise Health Plan	3.38			
9	BCBS of Montana	2.02	20	Aetna	2.80	32	Premera Blue Cross	3.41			
10	AmeriHealth	2.11	21	Oxford Health Plans, LLC	2.81	33	BCBS of Florida	3.45			
11	AmeriGroup	2.12	21	Wellmark, Inc.	2.81	34	Excellus BCBS	3.59			
12	Blue Cross of Northeastern Pennsylvania	2.35	22	BCBS of North Carolina	2.85	35	AmeriChoice	3.60			
			23	Empire BCBS / Wellpoint	3.04	35	BCBS of South Carolina	3.60			

In a reversal of last quarter's improvement in notification period across the board, Q3 saw most insurers slip in their measures. We still do not see consistency with at least 30 days notification, even though technology is improving and getting policies updated on sites would seem to be an easy process to maintain. However, we also rank noti-

fications posted on sites, not just medical policies, and this is where we see the lack of lead time at its most prevalent. A few companies have email notification programs, which helps to get information out to the network timely, but the same notification information should be made available online at the same time.



## 5. Posting Integrity (PI)

Posting Integrity infractions occur when an insurer posts a policy with one date, then changes that date to some time prior to the original posting date. We take the position that the primary reason for doing so is to align with claim edits or some other such business decision, which may have an adverse affect on providers.

We therefore regret to record the following infractions during Q3:

### **BCBS of Georgia**

A retired policy, CG-DRUG-12 for Biologics for Psoriasis and Psoriatic Arthritis had been retired, then updated post-retirement. When partially reinstated with the replacement, CG-DRUG-26 for Amevive (Alefcept), this new / replacement policy was backdated to a pre-retirement date.

### **BCBS of RI**

#### **1. Policy: Endovascular Grafts for Abdominal Aortic Aneurysms**

This policy posted to its site on 7/9/09 but with an effective back-date of 4/22/09.

#### **2. Notification: Prior Authorization removed for Tamiflu and Relenza**

This notification was posted June 23, effective May 13. No doubt network providers could have benefited from this information six weeks earlier and saved at least a call or two.

### **BCBS of Illinois**

#### **Policy: Surgery for Morbid Obesity**

This policy was posted in the pending and updated section in June with an effective date of 7/1/09 only to have its effective date moved back to 6/1/09 once it was moved to the active section on 7/1/09. Possibly an error, but worth looking into if you are a bariatric surgeon who has received denials for services rendered during June to patients who may not meet the modified criteria.

## Certificates of Merit

Certificates of Merit have been issued to the following companies for Q3

### **Aetna**

*Most Provider-Friendly Insurer*  
Q3, 2009

### **Premera Blue Cross**

*Most Improved Clarity of Communication*  
Issued Q3, 2009

### **Prior Awards**

### **Lifewise Health Plans**

*Most Provider-Friendly Insurer*  
Q1, 2009 and Q2, 2009

### **Aetna Health Plans**

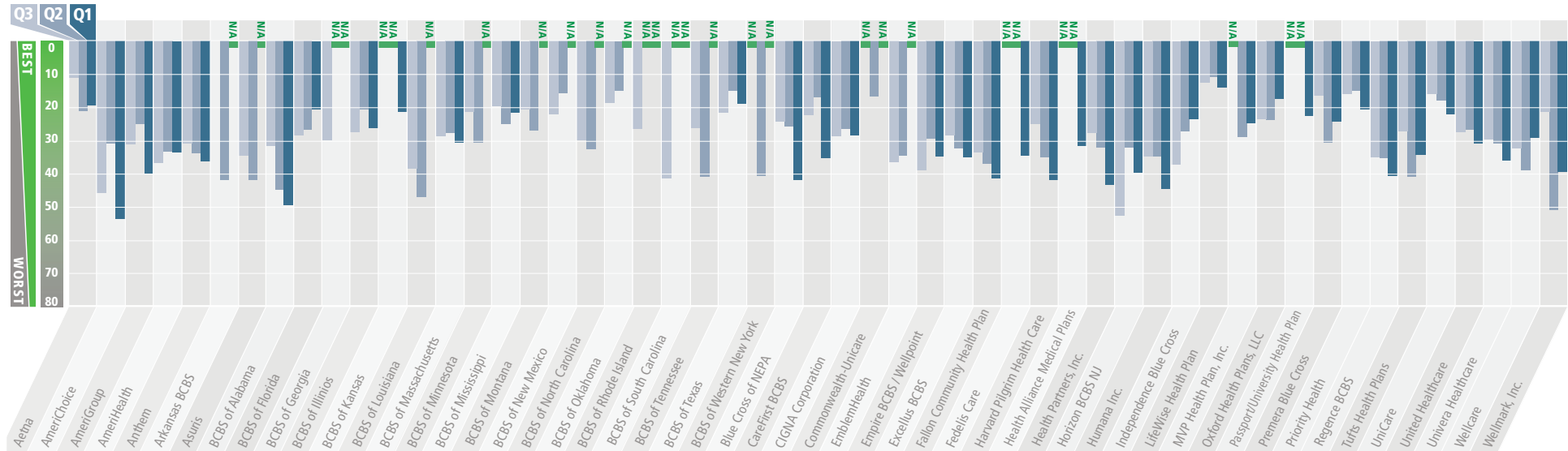
*Annual Award for Most Provider Friendly Network*  
2008

### **Oxford Health Plans**

*Most Improved Clarity of Communication*  
Q2, 2008

## Comparison Data

Payer	Q3	Q2	Q1	Payer	Q3	Q2	Q1	Payer	Q3	Q2	Q1
Aetna	10.15	20.98	19.40	BCBS of North Carolina	29.13	32.65	N/A	Health Alliance Medical Plans	N/A	N/A	31.63
AmeriChoice	46.82	30.72	53.60	BCBS of Oklahoma	18.80	15.08	N/A	Health Partners, Inc.	27.68	31.98	43.96
AmeriGroup	30.44	24.70	40.08	BCBS of Rhode Island	26.47	N/A	N/A	Horizon BCBS NJ	52.72	32.12	39.78
AmeriHealth	36.92	34.19	33.76	BCBS of South Carolina	41.39	N/A	N/A	Humana Inc.	34.38	34.59	44.63
Anthem	30.83	33.99	36.56	BCBS of Tennessee	26.02	41.19	N/A	Independence Blue Cross	37.29	27.65	23.74
Arkansas BCBS	N/A	42.14	N/A	BCBS of Texas	21.64	15.59	18.07	LifeWise Health Plan	12.72	10.77	14.16
Asuris	34.51	47.99	N/A	BCBS of Western New York	N/A	40.52	N/A	MVP Health Plan, Inc.	N/A	28.81	24.85
BCBS of Alabama	31.44	44.08	49.64	Blue Cross of Northeastern Pennsylvania	24.24	25.81	42.86	Oxford Health Plans, LLC	23.50	23.94	17.59
BCBS of Florida	28.64	27.99	20.60	CareFirst BCBS	22.70	17.26	35.19	Passport/University Health Plan	N/A	N/A	22.68
BCBS of Georgia	29.73	N/A	N/A	CIGNA Corporation	28.73	26.71	28.66	Premera Blue Cross	16.34	30.10	24.40
BCBS of Illinois	17.62	20.88	27.83	Commonwealth-Unicare	N/A	16.84	N/A	Priority Health	16.00	14.87	20.80
BCBS of Kansas	N/A	N/A	20.13	EmblemHealth	36.86	34.34	N/A	Regence BCBS	35.03	35.43	40.31
BCBS of Louisiana	38.57	47.22	N/A	Empire BCBS / Wellpoint	39.00	29.45	34.67	Tufts Health Plans	27.31	40.72	34.33
BCBS of Massachusetts	28.22	28.01	30.65	Excellus BCBS	28.39	32.47	35.18	UniCare	16.05	17.98	22.08
BCBS of Minnesota	21.96	30.76	N/A	Fallon Community Health Plan	33.72	37.15	42.61	United Healthcare	27.78	26.68	30.69
BCBS of Mississippi	19.70	25.55	21.91	Fidelis Care	N/A	N/A	34.87	Univera Healthcare	29.12	30.26	36.27
BCBS of Montana	20.62	27.11	N/A	Harvard Pilgrim Health Care	24.99	35.09	41.93	Wellcare	32.30	39.07	29.15
BCBS of New Mexico	22.32	15.93	N/A					Wellmark, Inc.	25.54	50.34	39.59



## Literature Review: Research, Cost Studies and Notable Information

As healthcare reform comes closer to being a reality, there is a wealth of literature being produced that is identifying and investigating the business of healthcare. Further supporting the policy work we do here at the Verden Group, some recent excellent studies / articles include:

### NEW STRATEGIES FOR REDUCING HEALTHCARE COSTS

#### Based on the RAND Study: Trimming U.S. Health Care Spending Will Require New Approaches in Designing, Adopting Strategies

“Controlling U.S. Health Care Spending — Separating Promising from Unpromising Approaches” Peter S. Hussey, Ph.D., Christine Eibner, Ph.D., M. Susan Ridgely, J.D., and Elizabeth A. McGlynn, Ph.D. Published Online by NEJM, November 11th, 2009.

<http://healthcarereform.nejm.org/?p=2301>

**Abstract:** High U.S. health care spending has been characterized not only as a barrier to affordable insurance but also as the preeminent long-term threat to the economy and the competitiveness of American business. The current policy discussion in Congress does not address this problem. The search for government savings with which to fund coverage expansions makes public programs the main targets for spending reductions; opportunities for private-sector savings are left out of the equation. We think it is useful to consider the cost-control options available to both the public and the private sectors.

### VALUE-BASED PAYMENT MODELS

#### Presentation: Value-Based Health Care Delivery

Professor Michael E. Porter, Harvard Business School  
*Medical Technology Leadership Forum, May 8, 2009*

[http://www.isc.hbs.edu/pdf/20090508MedTechLeadership\\_final.pdf](http://www.isc.hbs.edu/pdf/20090508MedTechLeadership_final.pdf)

This presentation draws on Michael E. Porter and Elizabeth Olmsted Teisberg: ‘Redefining Health Care: Creating Value-Based Competition on Results’, Harvard Business School Press, May 2006, and ‘How Physicians Can Change the Future of Health Care’, *Journal of the American Medical Association*, 2007; 297:1103:1111. Further information about these ideas, as well as case studies, can be found on the website of the Institute for Strategy & Competitiveness at <http://www.isc.hbs.edu>.

#### Prometheus Payment: What’s the Score? How Scores Determine Provider Payment

Alice G. Gosfield, J.D. and Francois de BrantesPublished Online by PrometheusPayment.Org, in conjunction with the Robert Wood Johnson Foundation, 03/17/2009

<http://www.prometheuspayers.org/publications/pdf/WhatsTheScore.FINAL.pdf>

**Excerpt:** The PROMETHEUS Payment® model is explicitly designed to pay providers to deliver what science says patients should receive for their specific constellation of clinical problems associated with a condition. The maximum payment amount for a provider is based upon an Evidence-informed Case Rate® (ECR). Whether the provider will realize the full potential for payment depends on the scores that provider earns under the model’s comprehensive scorecard. To

create a very clear incentive for clinical collaboration, the final scores depend 70% on what the provider does and 30% on what every other provider treating that patient for that condition has done—whether under the ECR or not. The scoring system is an essential element of what makes the PROMETHEUS Payment® model different from other payment systems as well as different from typical pay-for-performance models, even though it uses many of the same measures that pay-for-performance programs use today.

### INTERESTING SITES

Kaiser Family Foundation State Health Facts

Offers State-by-State comparisons utilizing a number of data sets.

**Of interest:** New 2008 data on trends in coverage and insurance status by income level, work status, race and more.

<http://www.statehealthfacts.org/>

Stay up-to-date with changes as they occur by becoming an MPV Payer Alert subscriber.  
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