

## **Physician Advisory Board Meeting of June 3, 2011**

The Aetna Physician Advisory Board met on June 3, 2011 in Fort Lauderdale, Florida.

Drs. 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 Steve Kelmar, Dr. Charles Saunders and Dr. Melissa Welch.

### **Accountable Care Solutions**

Referring to materials distributed in advance of the meeting, Dr. Saunders then led a discussion of Aetna's Accountable Care Solutions (ACS) strategy, including Aetna's goal of providing opportunities for health care providers to assume new accountability under health care reform. He explained that the company's definition of a commercial Accountable Care Organization (ACO) is loosely based on the Medicare ACO, but more broadly defined with varying business models and target populations. He shared that Aetna's approach is to offer services to commercial ACOs across all payer classes. There was discussion regarding Aetna's willingness to work with providers to form their own managed care companies and speculation as to the impact of the health care exchanges expected in 2014 as part of the Accountable Care Act. There was discussion on the differences between the CMS model's quality measures and those of the Aetna model. There was also discussion on the sustainability of various financial measures. Dr. Saunders then highlighted key aspects of Aetna's ACS approach and capabilities including the Medicity relationship which allows Aetna to operate in a multipayer environment. There was general discussion on the appeals of ACOs to both large systems and smaller hospitals.

### **Network Strategies**

Referring to materials distributed in advance of the meeting, Mr. King led a discussion on Aetna's network strategies. He highlighted the economic differences between health care and other services, primarily that patients are somewhat insulated from purchasing responsibilities and the general lack of information regarding commodity procedures. He asserted that competition based on cost and quality will benefit the market. Plan sponsors and members are requesting it. He then shared an overview of Aetna's tiered hospital network available in 40 communities, including the tiering criteria and benefit differentials for members. He also shared some strategies that generate competition for outpatient services. There was a discussion of the impact of physician ownership in free standing clinics and the requirement in many states that ownership be disclosed. Mr. King also discussed the potential need to reduce the size of the provider network in some markets and requested input on the best approach.

### **Integrated Care Management**

Referring to materials distributed in advance of the meeting, Dr. Welch gave an overview of Aetna's integrated care management approach including our goal of driving quality and affordability, and demonstrating outcomes. She discussed Aetna's efforts to support its members whether sick or well and incorporate the members' plan benefits with care management and wellness tools. Dr. Welch shared an overview of the spectrum of solutions available to members through wellness, disease management and case management programs. A discussion of Aetna's various approaches to streamlining the authorization process for physicians followed, including how Aetna can use information already in the system to eliminate steps.

### **Vaccine Update**

Dr. Cross then gave a brief update on vaccine reimbursement changes. He shared that in 2011 the codes changed to allow for additional reimbursement for each component of the vaccine. This was received favorably by the group.

### **Healthcare Information Exchange and Healthcare Information Technology**

Referring to materials distributed in advance of the meeting, Dr. Reisman discussed health information technology and the future of managed care. He shared the benefits of connecting the healthcare system electronically, including clinical decision support, quality and financial analytics, supporting patients through coordinated care management, more efficient and cost effective care and better patient outcomes. He discussed the capabilities of ActiveHealth and Medicity and their potential role in accountable care delivery models supporting population management. There was discussion on how best to integrate data delivery into the physicians workflow without disruption and how physicians may use the data. There was additional discussion on the need for patient incentives in addition to provider incentives.

### **Healthcare Reform**

Referring to materials distributed in advance of the meeting, Mr. Kelmar then provided an update on healthcare reform and the Affordable Care Act. He shared federal updates including a discussion of Congress's challenges in negotiating the fiscal year 2012 budget and the fact that several aspects of healthcare reform are on the table including Medicaid maintenance of effort (MOE) waivers, Medicaid block grants, SGR ("Doc Fix"), increased Medicare cost-sharing, tort reform. There was discussion of state-specific issues and it was noted that few states are moving forward with healthcare exchanges. Mr. Kelmar estimated that if they aren't up and running early next year, they likely won't make the 2014 deadline. He then noted that on March 31, 2011, the Centers for Medicare & Medicaid Services (CMS) released a proposed rule implementing the ACA's Medicare Shared Savings Program, which promotes the formation and operation of ACOs. He indicated that although stakeholders are hopeful that ACOs will improve care delivery and lower costs, many have expressed skepticism and concern about the regulation. He speculated that it will likely change. There was additional discussion on the role of insurers in ACOs.

