

YEAR END PHYSICIANS ADVISORY COUNCIL REPORT 2009

In connection with the acquisition of Sierra Health Services, Inc. by UnitedHealth Group Incorporated, the Nevada Attorney General required the establishment of the Nevada Physicians Advisory Council (the “PAC”). The PAC was established in 2008 to facilitate discussions and collaborative solutions between UnitedHealth Group Incorporated, including UnitedHealthcare, Sierra Health Services and all other related affiliates (collectively, “United”) and the Nevada physician community surrounding issues of concern to Nevada physicians, including those issues affecting physician-payor relationships and the quality of health care delivered to Nevadans.

During the second year of the PAC’s term, the members continued to advance the goals established during the first year and added new initiatives that will be pursued into 2010 and beyond.

Membership Changes

Rutu S. Ezhuthachan, M.D., Southwest Medical Associates, Pediatrics

Dr. Ezhuthachan has worked as a pediatrician in Nevada since 2003. Rutu studied psychology at the University of Michigan prior to attending medical school at American University of the Caribbean, where she graduated in 1999. She did her residency at St. John Hospital and Medical Centers in Detroit, Michigan, and was the Chief Resident during her third year. Dr. Ezhuthachan is a fellow of the American Academy of Pediatrics and a member of the American Medical Association. She received the Pediatric Provider of the Quarter award in the Second Quarter of 2005 for Southwest Medical Associates and won first prize for her resident research project on television viewing habits in hospitalized children from St. John Hospital and Medical Centers in 2002. Dr. Ezhuthachan replaces Dr. Chad Bittner, who resigned from the PAC due to unanticipated constraints on his time.

Issues of Concern to Nevada Physicians

As part of its mandate to address issues of concern to Nevada physicians, the PAC took a stand against Assembly Bill 495, which was pending before the Nevada Legislature during the 2009 session and proposed to significantly alter the malpractice tort reforms previously enacted. The PAC voted to draft a letter to the Senate Committee on Judiciary to urge that A.B. 495 be defeated. PAC members argued that passage of A.B. 495 could open Nevada up to serious shortages of physicians in key areas, such as obstetrics, because of incredibly high malpractice insurance premiums. The PAC maintained that this was not just an issue about tort

reform, but really about access to quality health care for all Nevadans. Due to the efforts of physicians, such as those on the PAC, and other concerned citizens and legislators, A.B. 495 did not make it out of committee.

United provided presentations on several issues of interest to Nevada physicians, including its NCQA-accredited Premium Designation program, which is an evidence-based program that measures physicians on the quality of care provided to patients. For physicians who meet quality measures, the program then evaluates the efficiency of the care provided. In markets where the program is available, physicians within 20 designated specialties who participate in a UnitedHealthcare network are included in the Premium Designation program. At this time, the program does not include Sierra or PacifiCare physicians. United provided a general overview of the program and answered member questions. It was decided that a second session would be held to address detailed member questions. That session is scheduled for January 25, 2010.

Issues of Concern to All Nevadans

The members of the PAC are keenly aware that they are in a unique position of having a voice with United for not only the Nevada physician community, but also with relation to issues affecting the general health and well-being of all Nevadans. The PAC members used this unique position in a number of important ways during 2009.

The members decided to donate the honorarium they would each otherwise receive from United for their participation on the PAC to Volunteers in Medicine of Southern Nevada (“VMSN”), a non-profit charitable organization affiliated with Volunteers in Medicine, a national organization that promotes and guides the development of a national network of free clinics. This \$10,000 contribution will help VMSN identify, understand and serve the health and wellness needs of southern Nevada’s working families. Under the direction of Dr. Florence Jameson, a Las Vegas-based obstetrician and gynecologist, VMSN was established in 2008 by concerned citizens who wanted to find a way to provide access to health care for the region’s uninsured and underinsured working families. Adhering to a “culture of caring,” the organization will use teams of active and retired health care professionals and lay people to operate a freestanding clinical care center located in Las Vegas. VMSN expects to function like a standard family-practice medical office and anticipates tapping into the support of nearly 300 volunteers. Two to three medical professionals will be onsite daily serving the needs of approximately 15-20 patients.

The members also are considering ways in which the PAC may assist in addressing the immunization crisis which currently exists in Nevada. Until the fourth quarter

of 2009, Nevada ranked 51st in the nation in terms of vaccination rates. This problem is compounded by the fact that there have been two separate registries (one run by the state and the other by the Southern Nevada Health District) in which physicians were expected to register vaccinations. Physicians, especially pediatricians, have concerns not only about Nevada children being appropriately vaccinated, but also about assuring that they are appropriately reimbursed by third party payors for the vaccines that are given. The PAC recognized this as an issue that required additional attention, and plans to continue its efforts in this regard into 2010. The PAC will pursue a working relationship with the State of Nevada and other concerned parties to make all aspects of the vaccination process easier and more transparent for physicians and consumers, and to increase the number of required vaccinations provided in Nevada.