

YEAR END PHYSICIANS ADVISORY COUNCIL REPORT 2010

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. Specifically, some issues that the PAC has considered and continues to evaluate include:

- Quality and delivery of health care to Nevada consumers
- Physician contracting practices
- Contracting with health care facilities
- Determination of evidence based medicine
- Authorization requirements
- Claims processing
- Quality assurance and related staffing issues

During 2010, the third year of the PAC's term, the PAC met for five official meetings on the following dates: January 25th, May 11th, July 13th, September 14th and December 7th. The PAC continues to advance the goals established during its first two years, and added new initiatives that will be pursued into 2011 and beyond.

Membership Changes

There were a number of membership and leadership changes to the PAC during 2010. This year brought the two-year anniversary to the PAC, which ended the initial term for a number of members. The following is a brief description of the composition of the 12-member PAC at the end of 2010:

- United Representative Members: Steven Evans, M.D. and Linda Johnson, M.D. Dr. Evans joined the PAC in 2010 and was elected to Chair the meetings. Dr. Evans is currently the Chief Medical Officer-UnitedHealthcare Nevada Market. Dr. Johnson also joined the PAC in 2010. Dr. Johnson is currently the President of Southwest Medical Associates, Inc., Nevada's largest multi-specialty medical group.
- Attorney General Appointed Members: Joseph Adashek, M.D., Keith Brill, M.D., Kathleen Cornia, M.D., Ronald Kline, M.D., and Fred Redfern, M.D.

Dr.'s Adashek and Brill have served on the PAC since its inception and their two-year terms were renewed during 2010. Dr. Redfern has also served on the PAC since its inception, and his three-year term will expire in 2011. Dr. Cornia has served on the PAC since 2009, and her initial term will expire in 2011. Dr. Kline joined the PAC as a new member in 2010. Dr. Kline is a board certified pediatric hematologist-oncologist and pediatric bone marrow transplant physician.

- United Appointed Members: Jim Christensen, M.D., Rutu Ezhuthachan, M.D., Robert McBeath, M.D., and Warren Volker, M.D. Dr.'s Christensen and McBeath have served on the PAC since its inception and their two-year terms were renewed during 2010. Dr. Volker has also served on the PAC since its inception, and his three-year term will expire in 2011. Dr. Ezhuthachan has served on the PAC since 2009, and her initial term will expire in 2011.
- Ex-Officio Attorney General Appointed Member: Dr. Michael Verni. Dr. Verni joined the PAC in 2010 as an ex-officio member. Dr. Verni is a board certified urologist. In addition, in 2010, the PAC considered and adopted new authority related to the ex-officio position to allow greater input and participation from this position.

Issues of Concern to Nevada Physicians and Nevadans

Evidence-Based Medicine Initiatives. The PAC continued its review from 2009 into the use and determination of evidence-based medicine projects. An overview of the United's program, referred to as the UnitedHealth Premium Designation Program, was presented to the PAC by Dr. Robert Greene, United's Vice President of Clinical Analytics. Dr. Greene advised the PAC that the premium physician designation program uses clinical information from health care claims to assist physicians in their continuous practice improvement and to help consumers in making more informed and personally appropriate choices for their medical care. The program uses evidence-based, medical society, and national industry standards to evaluate physicians across 22 specialties to advance safe, timely, effective, efficient, equitable, and patient-centered care. The current program meets all NCQA quality review requirements. The programs goal is to support practice improvement and provide physicians with access to information on how their clinical practice compares with national and specialty-specific measures for quality, and with local cost efficiency benchmarks in the same geography. The PAC expressed general support for such programs and also discussed the need to further educate Nevada physicians and consumers concerning more detailed information and transparency of the process.

Physician/Health Plan Contracting Policies and Practices. The PAC conducted an extensive review of Physician/Health Plan contracting practices in Nevada, with a focus on United. As part of this review, the PAC heard a presentation from a representative of the Nevada State Medical Association, who discussed certain areas of concern within the community regarding United's contracting practices. The PAC also heard from senior officials from United's network and contracting department regarding their current contracting policies and practices. This included a discussion explaining an overview of United's claim processing and coding practices. With this background information, the PAC determined that it needed to attempt to solicit from the physician community specific examples of contracting difficulties that it could then review more appropriately. A formal "Notice" was drafted and approved by the PAC, which described the PAC and its purpose, and this Notice was approved for publication and dissemination by the local physician associations and societies. As part of this review and analysis the PAC also determined that certain confidentiality provisions within its Charter should be revised, and such changes have been proposed.

Quality Review Activities. Another item specified in the PAC's Charter that the PAC determined to evaluate related to Quality Review and Management Activities, specifically as conducted by health plans. The PAC invited Dr. Allan Ebbin, United's Vice President for Healthcare Quality and Education, to make a presentation and discuss this topic. Dr. Ebbin explained to the PAC that the QR and QM Department at United tracks quality of care investigations to identify trends or patterns of issues that may be either provider specific or system-wide. QM/QR also coordinates with the credentialing and risk management activities. This is a peer review task of the clinical process of care. With respect to the Nevada market, 10 full-time nurses assist this function with investigations and reviews. Most reviews are triggered by either complaints (mostly patient-driven) or concerns (mostly provider-driven). Thresholds are applied through the application of a point system. Points will trigger certain notices and/or corrective actions. The provider in question has an opportunity for feedback and response throughout the process, including meeting with the peer review committee in-person. The PAC shared a number of comments and questions regarding this process. One particular area where the PAC expressed satisfaction related to use of external review organizations to avoid conflict-of-interest issues.

Immunization Advancement. The PAC continued an initiative identified in 2009 to attempt to assist in addressing the immunization crisis which currently exists in Nevada. This is a very complex issue and has been discussed at length during a number of PAC meetings. During 2010 a subcommittee was formed to attempt to identify specific actions and/or recommendations where the PAC could be involved. In addition, the PAC determined that its annual honorarium that each member would otherwise receive for their participation on the PAC should be donated to the Southern Nevada Immunization Council.