

**WellPoint Physician Advisory Council Meeting Summary
July 24-25, 2009 - San Francisco, California**

PAC Members in Attendance	
Robert Berenson, M.D.	Theodore Mazer, M.D.
David Bernard, M.D.	Mitch Miller, M.D.
Andrew Cheng, M.D.	Sam Nussbaum, M.D.
Verna Gibbs, M.D.	Simeon Schwartz, M.D.
Jeffrey Linzer, M.D. (via teleconference on Friday only)	Richard Tuck, M.D.
Alan London, M.D.	David Welsh, M.D.

PAC Members Not in Attendance	
Hector Flores, M.D.	

WellPoint Staff in Attendance	
Charles Kennedy, M.D. (Friday only)	Dave Prugh
Amy McCormack	Amy Sansbury

Welcome

After welcoming the attendees, Dr. Nussbaum explained that Dr. Blumenthal was named by the Obama administration to be the National Coordinator for Health Information Technology, necessitating his resignation from the PAC. Dr. Nussbaum advised that he would be inviting another physician to fill the vacancy.¹

Continuing Topics

Coding/Reimbursement Meeting

Mr. Prugh reported to the PAC a summary of discussions with the Coding subcommittee during the two meetings that occurred since the last PAC meeting and the actions that resulted from those meetings. Drs. Linzer, Mazer, Miller and Tuck, all of whom are on the subcommittee, contributed to the report. Topics discussed included:

- Gardasil: Age edits may be causing administration issues for physicians. A plan to investigate and resolve this is being developed.
- E-Visits: funding for the Relay Health program pilot in New York is provided partly by physicians. WellPoint will continue to evaluate results of E-visit pilots.
- Modifier 47: (Deep sedation) No significant action is expected at this time. WellPoint will re-visit this issue if a specific CPT code is developed.
- Modifier 58 and CPT 31237: WellPoint asked subcommittee members to provide specific claim examples, as WellPoint was unable to identify any bundling edits for claims with these codes.
- Dipstick urinalysis: Mr. Prugh confirmed that WellPoint does not currently have an edit and is paying for this service.
- Newborn care services: the RVU for the new 2009 Newborn service code will be paid in the same manner (e.g., no fee reductions) as compared to the old newborn codes.
- V67.59: WellPoint confirmed it will pay for claims using V67.59 for follow-up visits once the episode of illness giving rise to the diagnosis has been resolved. WellPoint intends to include a notice regarding its proper use in upcoming provider communications.
- After Hours Care: After hours care is being made consistent across the enterprise. The subcommittee agreed that most claims submitted for after hours emergency care were not true emergency situations. The subcommittee agreed a list of appropriate diagnoses for Code 99058 and 99060 should be developed and offered to provide input if the company moves forward with the creation of a list.

¹ Dr. Blumenthal was selected by WellPoint at the outset.

- Combination vaccine reimbursement: the subcommittee continues to discuss a request to increase reimbursement for the administration of combination vaccinations. Dr. Tuck will bring forth CDC data that demonstrates some providers are not providing vaccinations due to a cut in revenue.

The Council agreed that having the subcommittee meet and report these matters to the PAC was working nicely and that we should continue to follow this approach.

Medical Association Updates

In follow up to discussion of WellPoint's claim system conversion issues, Dr. London noted that the Ohio State Medical Association (OSMA) reported that the Ohio claims situation has significantly improved. He added that Erin Hoeflinger, the new President and General Manager of Anthem Blue Cross and Blue Shield in Ohio, has been responsive to OSMA and that OSMA now believes Anthem is the best claim payer in Ohio. Dr. Welsh noted that the Indiana State Medical Association had very recently filed a grievance against WellPoint due to the claims issues that Indiana physicians were experiencing as the result of the system conversion.

Both Ohio and Indiana medical associations reported hearing complaints on increased pre-certification requirements. Indiana and Ohio reportedly are having an increase on echocardiography pre-certification requirements and Ohio was also hearing complaints regarding ophthalmology and oncology. Dr. Nussbaum advised the Council that these concerns would be investigated.

Conducting Business Post-Shane Settlement

Dr. Nussbaum reiterated the company's intent to continue to move forward with some of the business practices, including the Council, that were adopted during the Shane litigation or as part of the settlement. The Council was also advised that WellPoint is continuing to work on a universal definition for medical necessity and Council members requested an opportunity to review the final version. The Council was reminded that WellPoint still is operating its settlement obligations under the Thomas/Love settlement for New York until 2012.

Statutory Prompt Pay Law and the Billing Dispute External Review Board

A brief discussion was held regarding WellPoint's decision to follow state law for prompt pay issues and that we opted not to continue to utilize the external dispute review board as we had only 4 issues presented to it in the entire course of the settlement.

New Topics

ICD 10

Mr. Prugh gave a presentation regarding ICD 10, and the electronic transaction standard established by HHS (5010) that will be used to support the ICD 10. The 5010 standards must be met by 2011, and ICD-10's compliance date is October 01, 2013. Payers and providers need to start planning now on what systems to use and how to transition from the current standards and ICD 9.

Dr. Linzer provided a link to HHS' National Center for Health Statistics' crosswalk tool linking ICD 9 and ICD 10 codes: <http://www.cdc.gov/nchs/about/otheract/icd9/icd10cm.htm>. The increased number and specificity of the new codes is expected to add value to data analysis.

Health IT

Dr. Kennedy gave a presentation outlining the Health Information Technology for Economic and Clinical Health (HITECH) ACT as well as his role on the Health Information Technology Policy Committee, a new advisory body established by the American Recovery and Reinvestment Act. Members of the Council pointed out that the system will not work if physicians have to install separate HIT per payer- it all must be on the same platform on a "neutral" site.

Health Care Value

Dr. Nussbaum introduced the topic of Health Care Value. Dr. Nussbaum briefly discussed medical home, a HealthCore back pain study and ER visits for acute but non-emergency episodes, in relation to health care value. This was a prelude to the discussion on Value Based Payment Reform.

Discussion on Value Based Payment Reform

Mr. Prugh outlined three value-based payment reform models that WellPoint is evaluating as part of its reimbursement strategy:

- Enhanced fee for service: where insurers reimburse for services that traditionally have had minimal or no reimbursement, or RVUs are redistributed. Although this is the easiest model to implement, it tends to reward for volume and is not expected to generate significant behavioral change.
- Evidence-based case rates: The global episode model, or evidence-based case rate, refers to a bundled payment that covers all of the services that are considered appropriate to perform within an episode of care. Advantages include the integration and coordination of care as well as an anticipated drive to evidence-based guidelines. However it may be very difficult to implement. It also does not address the appropriateness of the care.
- Population based payment: The Population based payment model is an extension of capitation with risk adjustors and modifications that address some of the issues that led to dissatisfaction with capitation. This approach may have the greatest potential to achieve the outcomes needed by the industry. The infrastructure to support this model is not present in many markets at this time.

The Council engaged in extensive discussion regarding Value Based Payment reform and the options presented. Some of the comments included:

- We need to better align incentives between physicians and hospitals
- Is there a role for gainsharing
- Physician house calls
- Quality
- Fragmentation
- Physician practices have not consolidated

Ultimately, the Council concluded that a population based payment approach might be the best option to control costs; however a single payment reform model will most likely not succeed in all geographies.

Health Care Reform and Legislative Update

Dr. Nussbaum initiated a discussion on the various aspects of Health Care Reform legislation being discussed by Congress. Dr. Berenson discussed MEDPAC and his involvement.

X Prize

Dr. Nussbaum gave an overview of the X Prize program's status, noting that it has been well received so far. He encouraged PAC members to become engaged in the process.

Standing Items

A list of medical policy updates since the last PAC meeting was distributed to attendees.

Review of PAC Recommendations

The PAC did not make any formal recommendations at this meeting.

Adjournment

The meeting adjourned at noon on July 25, 2009. WellPoint will announce upcoming Council meeting dates in the near future.