Aetna's Quality & Total Cost Strategy
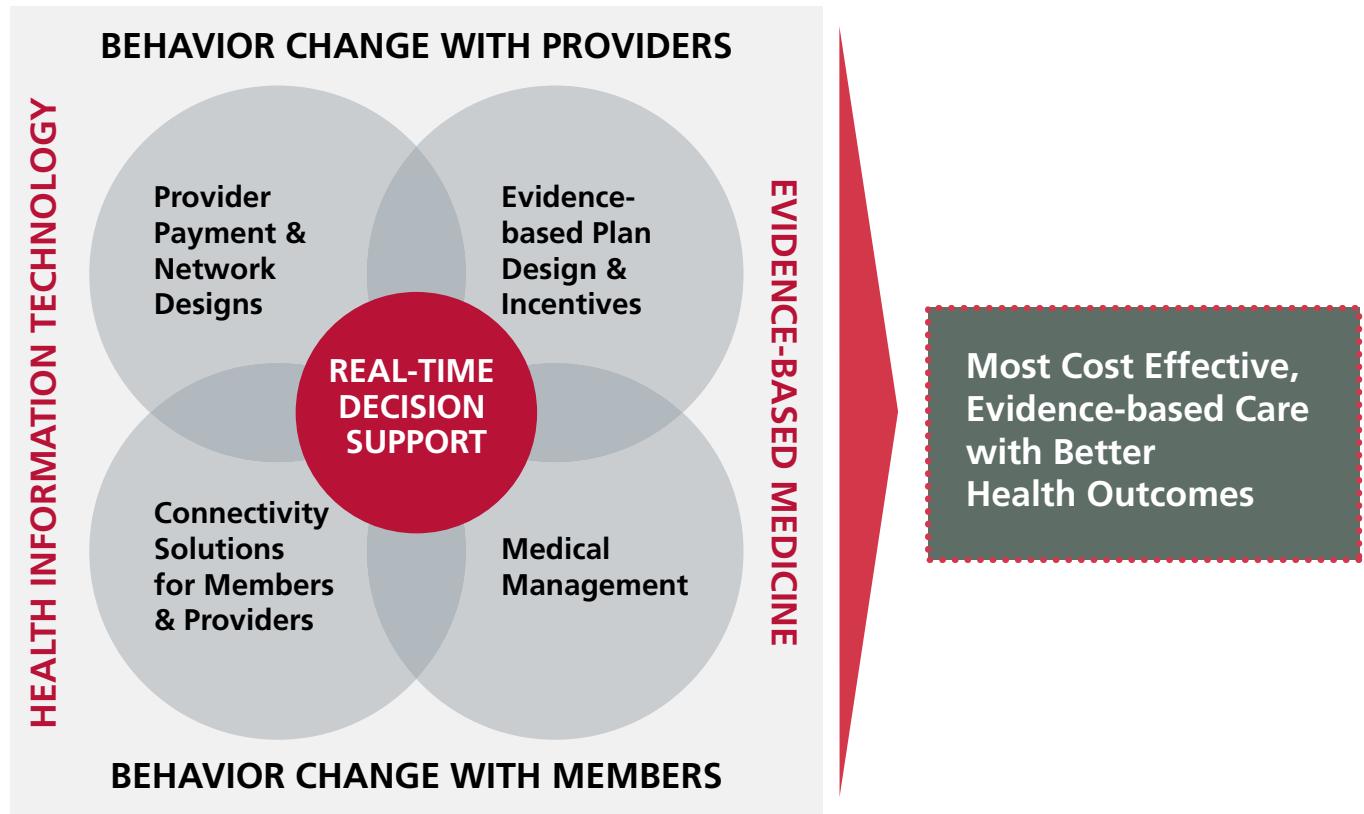
Evidence-based Medicine Enabled by Technology and Aligned Financial Incentives Drives Behavior Change

BEHAVIOR CHANGE WITH PROVIDERS

HEALTH INFORMATION TECHNOLOGY

EVIDENCE-BASED MEDICINE

Provider Payment & Network Designs

Evidence-based Plan Design & Incentives

REAL-TIME DECISION SUPPORT

Connectivity Solutions for Members & Providers

Medical Management

BEHAVIOR CHANGE WITH MEMBERS

Most Cost Effective, Evidence-based Care with Better Health Outcomes

Pathways to Excellence℠

Aetna's compensation methodology is designed to differentiate providers based on clinical effectiveness, member experience and efficiency and is focused on increasing quality through collaboration. In addition to Aetna's regional programs, we are leveraging our relationship with Bridges to Excellence for physician performance and Leapfrog Hospital Rewards for hospital performance.

Centers of Excellence

By following nationally recognized assessment criteria, we promote access to high quality hospitals that provide solid organ and bone marrow transplant services. Service line networks (e.g., bariatric surgery, cardiothoracic surgery) will become an extension of our I.O.E. capabilities.

We want you to know®

✕Aetna®

High Performance Provider Initiatives (HPPI)

Designed to create breakthrough solutions to quality or cost issues confounding the delivery of health care.

National HPPIs

- US Oncology

- ASCO
  American Society of
  Clinical Oncologists

- ACC/Efficient
  Cardiologists

- Tenet

- Society of
  Thoracic Surgeons

Regional HPPIs

NORTHEAST
Maine Medical Center
– Maine

Montefiore – New York

MID-ATLANTIC
Crozer Keystone Health
System & Doylestown
Hospital – Philadelphia

WEST
Sutter / Palo Alto
Medical Center / Camino
– San Francisco Bay area

Cedars Sinai – Los Angeles

Virginia Mason Medical Center– Seattle

SE/SW
St. Joseph's – Atlanta

BayCare – Tampa

Baylor – Dallas

Health Care Transparency Presence

Aetna Performance Networks with Aexcel® Designation

By directing patients to Aexcel designated specialists in 12 high volume and/or high cost specialties, employers are able to derive greater value from their plans. With presence in thirty five metropolitan areas, Aexcel programs are available to seventy three percent of our membership.

Transparency Initiatives

We have now integrated our Aexcel quality and efficiency information with our secure member and provider web sites, expanded the availability of physician-based unit cost information along with our newest facility cost information by medical procedure tool.
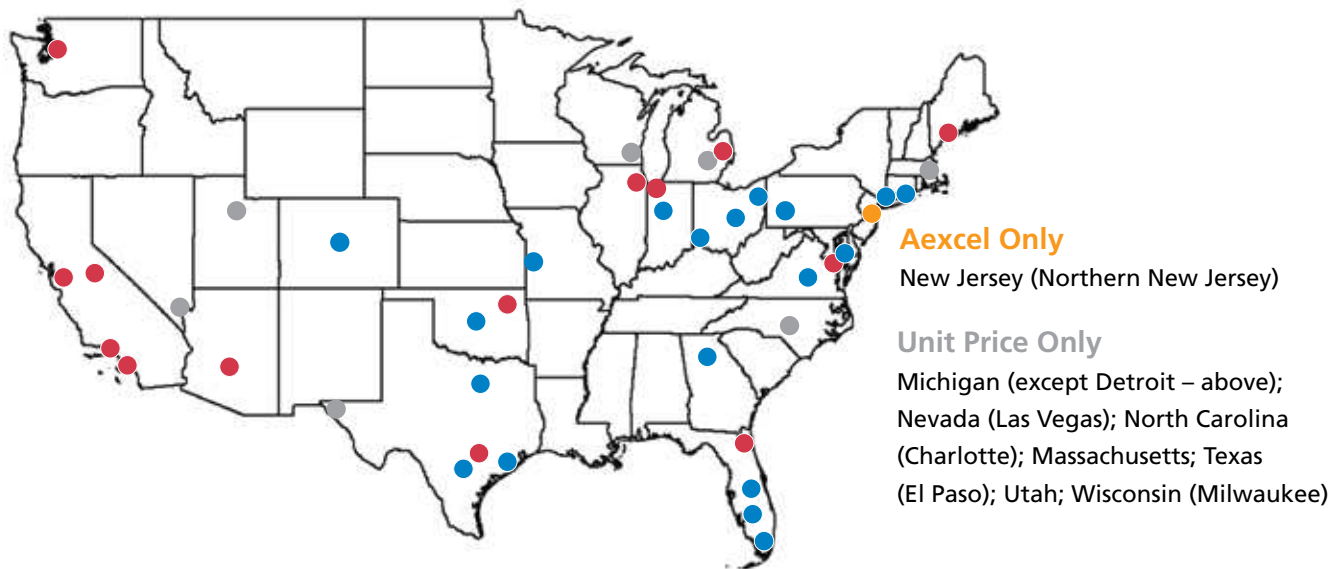
1. **Hospital Comparison Tool**
2. **Physician Unit Price**
3. **Specialist Quality & Efficiency**
4. **Price-A-Drug℠**
5. **Estimate Cost & Conditions**
6. **Procedure-based Site of Service**

We want you to know®

Aetna®

Aexcel, Unit Price, Quality/Efficiency, Medical Procedure by Facility

Arizona; California (Central Valley, Los Angeles, No. California, San Diego); District of Columbia; Florida (Jacksonville); Illinois (Chicago); Indiana (NE Indiana); Maine; Maryland; Michigan (Detroit); Texas (Austin); Oklahoma (Tulsa); Virginia (Northern Virginia); Washington (Seattle)

Aexcel, Unit Price, Quality/Efficiency

Colorado; Connecticut; Delaware; Florida (Orlando, South Florida, Tampa); Georgia (Atlanta); Indiana (Indianapolis); Kentucky (Northern); Kansas (Kansas City); Missouri (Kansas City); New York (Metro); Ohio (Cincinnati, Cleveland, Columbus, Dayton, Springfield); Pennsylvania (Pittsburgh); Texas (Dallas, Houston, San Antonio); Oklahoma (Oklahoma City); Virginia (Richmond)

Aexcel Only

New Jersey (Northern New Jersey)

Unit Price Only

Michigan (except Detroit – above); Nevada (Las Vegas); North Carolina (Charlotte); Massachusetts; Texas (El Paso); Utah; Wisconsin (Milwaukee)

Value-based Insurance Design

Aetna has been a leader in using clinical evidence to help design appropriate benefits for members. We will continue to do more than follow the evidence – we want to contribute to it through a series of innovations that will promote improved care and reduced waste in the health care system while encouraging consumerism.

- In October 2007, Aetna launched a groundbreaking study in partnership with Brigham and Women's Hospital to follow drug compliance in members who have had a heart attack and who are on maintenance drugs such as beta blockers. The study is the first of its kind to test the impact of variable or non co-payments on the outcomes of certain chronic diseases

- **Aetna Healthy Actions℠ - Rx Savings Program**
  Aetna also understands the challenges members face in complying with their medications and the consequences that result: poor health outcomes and higher medical costs. Aetna Healthy Actions (AHA) – Rx Savings is an incentive program that helps meet these challenges with Aetna's experience in consumer engagement and evidence-based medicine, and state-of-the-art technology that helps identify the members who benefit the most from this plan design

- Value-based plan design offers real opportunities for promoting better care and reduced waste while promoting consumerism. As we gain a deeper understanding of the effect of reduced out-of-pocket costs on member adherence to prescribed therapies, Aetna will apply these insights to future benefit design efforts

We want you to know®

✕ Aetna®

Alternate Care Settings

Retail Clinics

- In the past 5 years, a new generation of health care mini-clinics has emerged and retail chains (e.g. CVS) must partner with outside companies because federal law, "banning" self-referrals, prohibits chains from running their own clinics

- Located inside popular retail chains, such as drugstores, groceries and other large retailers, these in-store mini-clinics provide convenient, low-cost treatment for common medical problems

- Such retail health clinics are of value to us because they increase access to some primary care services, treatment for some minor illnesses and low complexity diagnostics

Worksite Clinics

- On-site health centers and pharmacies dedicated to specific employers and their employees and dependents. Some facilities are accessible to retirees and their dependents

- Initially focused on occupational health and live worksite presence, the worksite health market has expanded into: Primary Care, Wellness, Disability Management, Behavioral Support (EAP), Pharmacy and Disease Management

RelayHealth®

- In January 2008, Aetna expanded the RelayHealth offering to all states where Aetna participating providers are also enrolled in the RelayHealth network

- RelayHealth continues to focus on building their networks nationwide

- Aetna has expanded coverage to select specialists and continues to reimburse primary care providers

Clinical Decision Support

Decision support tools in real time

- 243,000 providers will have access to view and respond to Care Considerations through Aetna's provider website by the first quarter of 2008
- Providers will be able to access a printable read-only version of the member's PHR Health Summary Report by the second quarter of 2008
- Incorporating lab data/results into PHR
- Leveraging EMR distribution channels to provide providers with enhanced point of care decision support

We want you to know®

᛭ Aetna®

Provider e.Solutions

Strategic Relationships

- Completed ERA Enrollment and Paper Shutoff for national hospital system and one large billing company

- Decreased phone calls by over 20% for several large hospital systems

- HCA's electronic Claims goal of 90%. This reflects an increase of 12 pp

- Increased Tenet's electronic Precert rate by 26 pp and HCA's electronic Precert rate by 17 pp

Transactional Volume Growth

- % of claims submitted electronically 80+%

- Electronic Precert w/o MSO volume for Year-End 2007 is 210,355

- ERA % of Claims with Paper Shut Off for Year-End 2007 is 27+%

E-Prescribing

- Physicians using the PDAs were more likely to prescribe generic or brand drugs from the formulary — both of which can help members maximize the value of their prescription drug benefits

- Physicians found that being able to conduct drug safety checks at the time of prescribing was a major benefit

- 7.95 % increase in generic utilization

- 4.72 % increase in compliance with Aetna formulary guide

CLINICAL
- PHR
- Lab orders, results and trending
- Care Considerations
- ePrescribing

FINANCIAL
- Payment Assurance
- Real-time Claims
- Payment Estimators

AETNA PROVIDER eSOLUTIONS

ADMINISTRATIVE
- Real-time eligibility transactions
- Real-time referrals and precerts
- Electronic Remittance Advice/ Electronic Funds Transfer
- Real-time claims status transactions

We want you to know®

Aetna®

Network Fortification
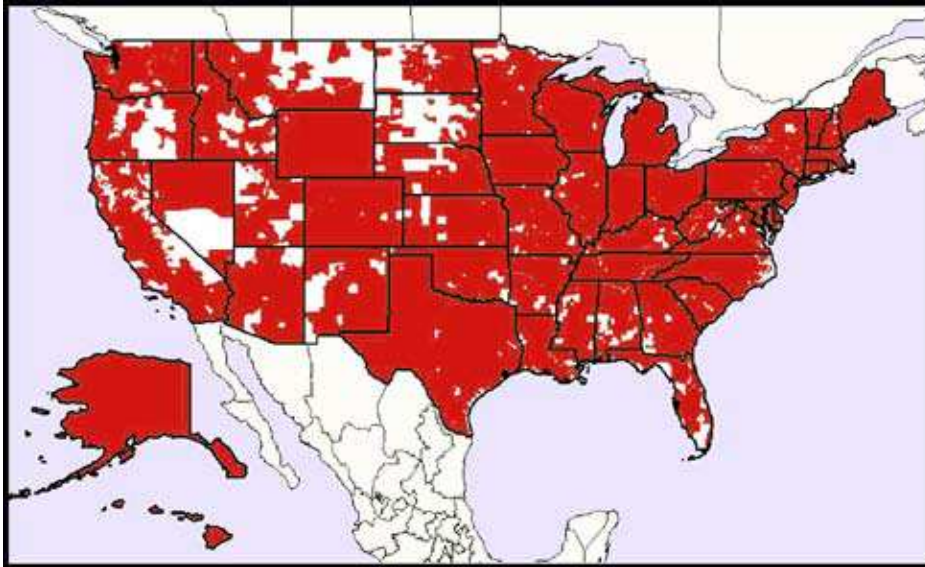
Network Fortification Targets

- National targets for 2008 set at 30,000 Physicians (MDs/DO) and 172 Hospitals. Targets based upon gap identified as a result of competitive benchmarking data
- Network growth (net) over the past 3 years (05-07) equals 73,378 Physicians and 599 Hospitals
- 2007 Actual growth included 28,468 Physicians and 283 Hospitals
- Focus on 49 markets identified as key priorities
- Fortification efforts continue to focus on Rental to Direct conversion. In 2008, conversion activity will include Oregon, Georgia (outside Atlanta) and North Carolina
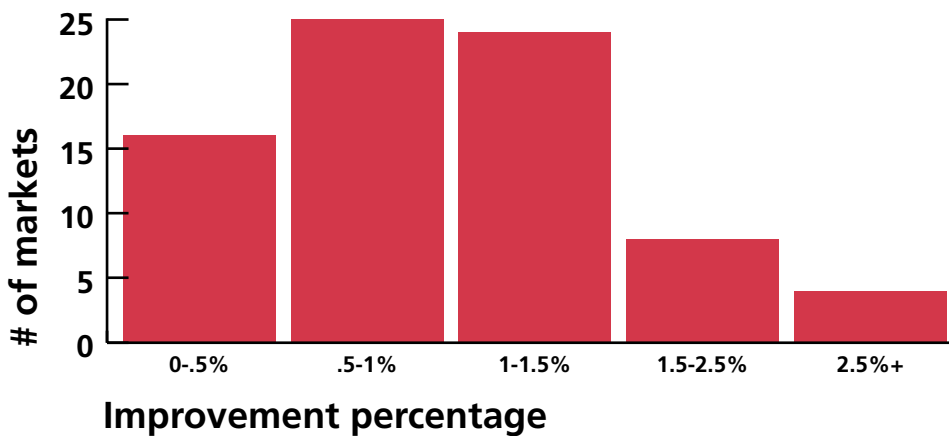
- Discount Improvement Plans developed to achieve increased discount positioning
- Market Competitiveness defined as #1 or #2 ranking or within 3 percentage points of #1 rank in market
- 53 markets with discount improvement plans delivered 1/08
- 67 markets with Discount Improvement Plans in place for 2008 – 1/09 deliverable

We want you to know®

✕ Aetna®