

Aetna's Aexcel[®] Performance Network Physician Efficiency Evaluation

For specialists who meet the case volume and clinical performance standards for Aexcel network designation, a measure of the efficiency of their care is developed and compared to their peers. Aetna uses two methodologies to measure efficiency: Symmetry Episode Treatment Groups™ (ETGs) and the Marketbasket System™ for Physician Efficiency Measurement from Cave Consulting Group (CCGroup). Both methods use the basic process described below. Those physicians whose efficiency score is equal to or better than the mean efficiency score for the market and specialty are considered efficient. Those physicians who are efficient and statistically so using a 90% confidence interval are used as the “starting point” group for designating Aetna's Performance Network.



We begin with the most recent three years' worth of completed claims data.



Claims for conditions managed by the 12 Aexcel specialties are identified.



Claims for conditions managed by one Aexcel specialty are isolated (*Orthopedic claims, for example.*)



Claims for conditions managed by that specialty in one market are isolated (*Orthopedic claims in Tampa, for example.*)

Claims are then divided into **episodes of care** (EoC) by diagnosis or condition. (*Tampa orthopedic claims incurred in the evaluation and treatment of femoral fractures, for example.*)



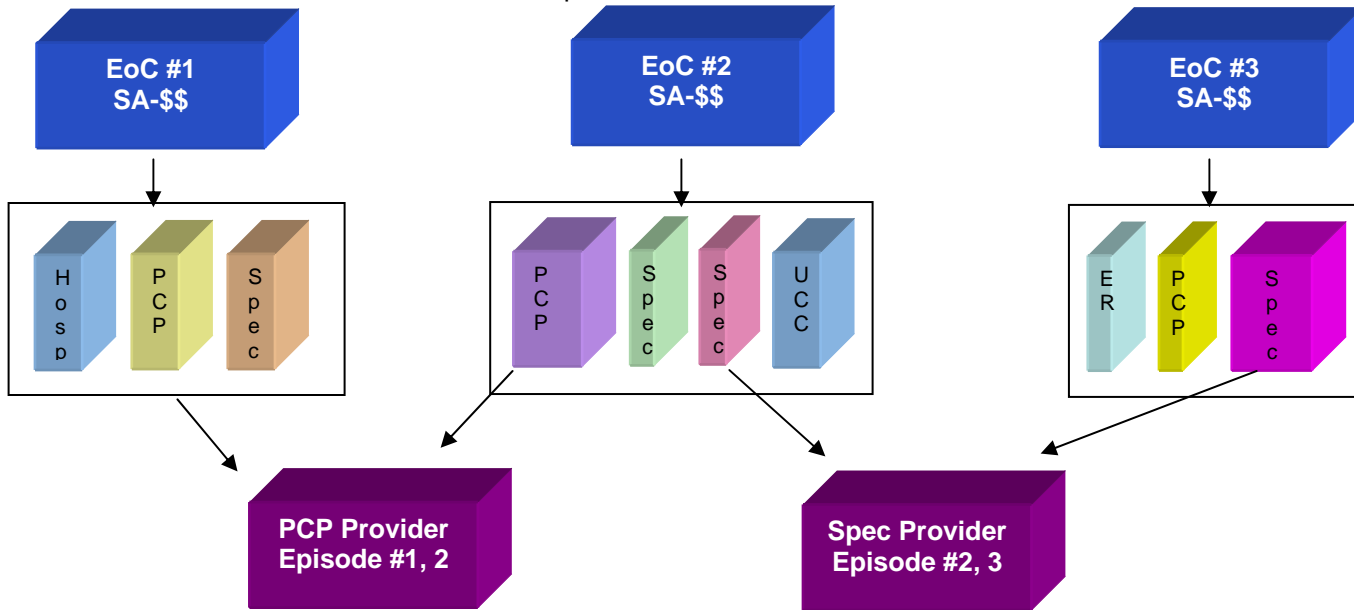
The episodes of care are refined by **eliminating outliers**: the highest and the lowest cost episodes.



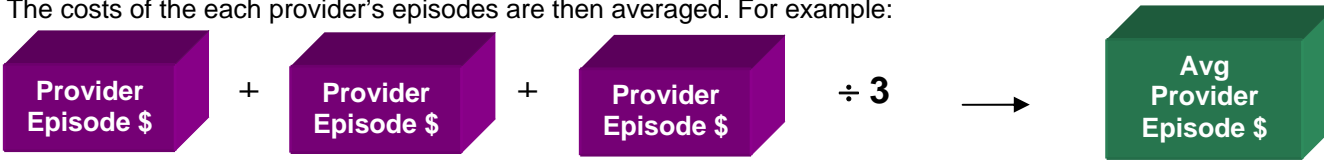
The episodes of care for individual patients are severity adjusted for age /co-morbidities/complications in both Cave and Symmetry. There are additional variables added to the case mix for Symmetry (product/year of service/pharmacy rider, gender). In the Symmetry efficiency measurement, a **severity-adjusted average** cost/episode for the providers in each region is calculated. In the Cave efficiency measurement, episodes with co-morbid conditions and higher severity of illness are removed from analysis For example:



Patient episodes are then attributed to a provider. This is done by looking for the provider who did a major procedure, or had the most claims or the most visits. For example:



The costs of the each provider's episodes are then averaged. For example:



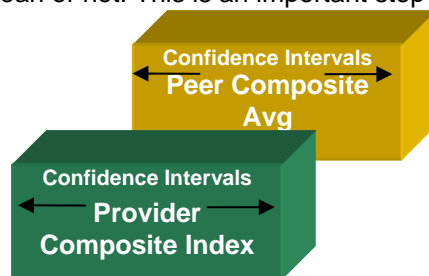
The provider's average cost per episode is compared to the peer group average cost per episode to produce an index for that episode.



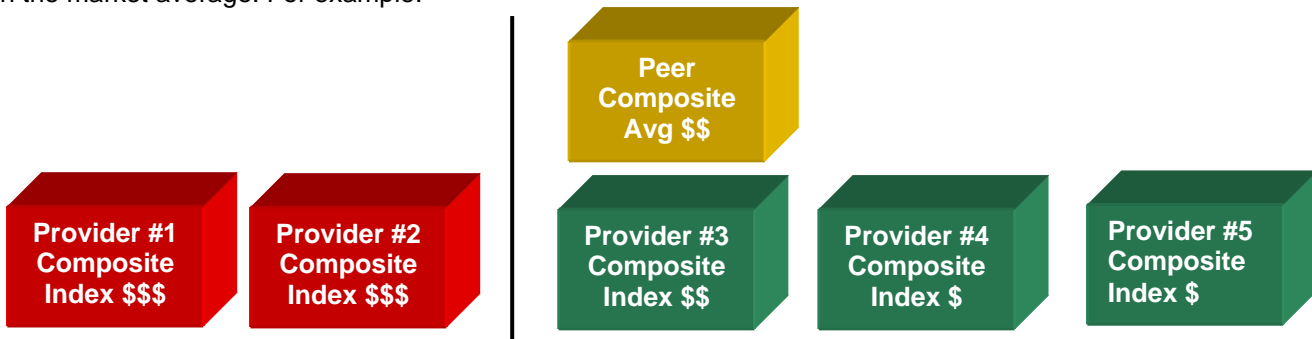
The provider's average cost for each episode is weighted (according to the volume of the episodes in a particular ETG for Symmetry and according to market basket weights for Cave) and used to create a composite index. The composite index represents the individual provider's severity-adjusted comparison of costs to same-specialty, same-geographic area peers treating the same or similar conditions.



A statistical analysis (confidence intervals) is then applied to the composite index to determine if the provider's composite index is significantly different from the peer mean or not. This is an important step to adjust for the effect of low number of episodes.



The initial set of providers considered for designation are those whose efficiency index is statistically significantly at or better than the market average. For example:



Summary and detailed reports are run for each provider so that they can see how their use of resources compared to their peers.

