American Medical
News

AMERICAN MEDICAL ASSOCIATION

VOLUME 42 NUMBER 34

Aetna wants you to be glad it met ya

AT A GLANCE

Aetna U.S. Healthcare CEO Richard Huber and key medical directors met with the media in an attempt to polish the company's tarnished image with physicians.

Julie A. Jacob
AMNEWS STAFF

AETNA U.S. HEALTHCARE HAS done a "lousy job of telling what we do, why we do it and getting a more open dialogue with the physician community."

So says Aetna Inc. CEO Richard Huber. Aetna has belatedly realized that it must repair its relationship with physicians, said Huber. "It's something we are going to be focusing very seriously."

Once regarded as benevolent "Mother Aetna," the Hartford, Conn.-based insurance giant, which has written health insurance policies since 1889, has seen its sterling reputation come under attack since becoming a managed care giant through its 1996 merger with U.S. Healthcare, based in Blue Bell, Pa.

Physician groups have dumped Aetna in contract disputes, its merger with Prudential Healthcare was fought by the AMA and others, and a jury forced Aetna to pay $120.5 million to the widow of a cancer patient who was denied coverage for a bone marrow transplant.

In fact, Aetna's reputation among physicians has deteriorated so much that Huber said, only half-jokingly, that he thinks twice before telling doctors he meets at social events what he does for a living, especially if the doctor is older and therefore likely to be strongly opposed to managed care. "I tell him I work down at the post office," said Huber.

In an attempt to polish the company's image, Huber and Aetna's top medical directors have embarked on a series of meetings with health care publications, the AMA and state medical societies.

Huber, along with chief medical officer Arthur Leibowitz, MD, and four other physicians on Aetna's corporate staff, visited *American Medical News'* Chicago office on Aug. 26 for an interview. Among the topics discussed:

PHOTOGRAPH BY TED GRUDZINSKI

AETNA U.S. HEALTHCARE CEO Richard Huber (left) and chief medical officer Arthur Leibowitz, MD, are telling everyone who will listen that their company doesn't deserve the bad rap it has gotten from some physicians.

- **The all-products clause.** Huber says Aetna has no plans to scrap the all-products clause that has been the source of conflict with physicians.

Aetna is firmly committed to the policy, which requires doctors and hospitals to participate in all of Aetna's health plans, said Huber. The company wants patients to have ac-

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New superbug renews antibiotic worries

AT A GLANCE

An emerging strain of community-acquired MRSA underscores the complexity of the public health challenges associated with antibiotic resistance.

Stephanie Stapleton
AMNEWS STAFF

Washington METHICILLIN-RESISTANT *Staphylococcus aureus* — MRSA for short. It sounds exotic. Yet it is commonplace in hospitals and nursing homes, where each year it's the diagnosis for a third of all infections acquired within those facilities.

These superbugs are now raising the eyebrows of infectious disease specialists because a new strain has emerged in the general population.

Case studies in the Centers for Disease Control and Prevention's Aug. 20 *Morbidity and Mortality Weekly Report* detailed the first four instances in which community-acquired MRSA infections resulted in death.

"We very strongly believe that these [infections] are a byproduct of excessive and otherwise inappropriate use of antibiotics," said Timothy Naimi, MD, MPH, a CDC medical epidemiologist with the Minnesota Dept. of Health, who was the lead author.

In each of these cases, which occurred in Minnesota or North Dakota, the patients were children admitted to hospitals without prior MRSA risk factors. Each had a high fever and other symptoms of severe infections. Although each received the proper treatment for *Staphylococcus* infection, doctors were initially unaware that drug resistance was in play.

Tests eventually confirmed that the community-acquired strain led to the patients' decline. Infection cultures also signaled a fundamental difference between the traditional hospital-acquired and this new com-

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September 13, 1999

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★★★

Aetna wants better image, wants you to be glad it met ya

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cess to the same physicians and hospitals even if they switch from a PPO to HMO, he said, adding that the company's greatest growth is in its HMO products.

Huber said he thinks opposition to the clause is more about money than physician choice.

"We don't think physicians should only treat rich people" who can afford PPOs, added Huber. "It's as simple as that. It's hidden in a lot of different words, but some few physicians would like [to just treat rich patients], and we don't think that's appropriate."

Despite the recent decision by a large independent practice association in Louisville, Ky., to terminate its group contract with Aetna over the clause, Huber maintains that physician opposition has been blown out of proportion.

● **Federal patient protection legislation.** Federal patient protection mandates will drive up health care costs and push more people into the swelling ranks of the uninsured, Huber warned.

Instead of mandates, Aetna prefers voluntary efforts, such as its external review program, said Huber. Contrary to public perception, most cases brought to external review aren't about treatment for life-threatening conditions, Dr. Leibowitz said. One recent case, he said, involved coverage for massage therapy.

● **Disease management.** What's lost in the barrage of articles on business negotiations and contract disputes, Huber said, is information on Aetna's quality improvement and disease management programs.

One such program is Aetna's asthma management program, which automatically alerts case managers when patients fill prescriptions for oral steroids, said Carol Diamond, MD, Aetna's director of quality health analytics. Case managers call the patient's physician the next day with suggestions on possible treatment options to head off exacerbation of the patient's asthma.

The program illustrates how insurers can harness their database of information to help physicians improve patient outcomes, said Dr. Leibowitz.

"The real promise of health care in America depends on data," said Dr. Leibowitz. "The programs are voluntary. ... We don't do anything that good doctors can't do and don't do and wouldn't like to do."

Recent data indicate that Aetna's asthma management program has cut emergency department visits by half and the number of hospitals days by 70%, added Dr. Leibowitz.

● **Aetna-Prudential merger.** "What would have happened to Prudential if we didn't buy it?" asked Huber, addressing whether the merger had given Aetna too much market power. "No one else would have bought it; it was out there on the block for a long time." And, he said, Aetna may have gotten many of those Prudential members anyway if the company had just let its health care division fade away.

Although critics, including the AMA, maintain that Aetna is simply too large and powerful— 21.5 million members — Huber said that the company's size and 146-year history reassure people that the company will be around in the long haul.

"We are in a con game," said Huber. "We sell a promise. ... The important thing for a buyer is to have the assurance that we will be there when it's time to collect on that promise."

Aetna will focus its own consolidation efforts on regional companies in key markets. The company's goal, said Huber, is to be one of the top three insurers in the seven most populous states.

The company prefers to buy managed care subsidiaries that are part of larger insurance companies, Huber said. Aetna is not interested in standalone managed-care companies like Oxford, he said, because if a deal goes sour, there's no surviving company to complain to.

The industry has changed in recent years from an upstart industry run by visionary entrepreneurs to a mature business with a very low — only 2.5% — average profit margin, added Huber. "When Oxford hit the wall, it was sort of like amateur hour was over."

To illustrate his point, Huber noted that Aetna processes 925,000 claims and handles 350,000 telephone calls a day. "That is not something that gifted, visionary entrepreneurs do particularly well. It's become much more of a professional business."

● **Future direction.** The key to doing business in the 21st century is using the Internet to disseminate information, Huber and his staff emphasized.

During the next 18 months, "it will be an obsession" to increase the company's use of the Internet to process claims and provide doctors, patients and plan sponsors with information targeted to their needs, Huber said.

One of Aetna's major initiatives is a program called e-pay, in which physicians submit claims electronically and are guaranteed payment within 15 days, said Huber.

"The major cause of irritation of dealing with us is administrative hassle, and I think some of those claims are justified. It is incumbent upon us to find ways to simplify the interface between us."

● **Relations with the AMA.** Throughout the interview, Huber emphasized that a free flow of communication between Aetna and physicians is crucial to improving relations.

In fact, AMA and Aetna had a fairly good working relationship before the Aetna-Prudential merger became public, said Huber and Dr. Leibowitz.

For example, Aetna distributed an AMA monograph on advanced testing for breast and ovarian cancer to 120,000 doctors in the insurer's network, said Dr. Leibowitz.

Aetna, which gave a grant to the University of Pennsylvania for reworking the medical school curriculum to cover managed care issues, was talking with the AMA about that issue, too, said Dr. Leibowitz.

The two parties agreed to suspend those talks while the Aetna-Prudential merger was undergoing regulatory review, but hope to "start again on the dialogue" now that the deal is closed, said Dr. Leibowitz.

"I don't see us as adversaries," said Dr. Leibowitz. "To a great degree, we keep the AMA honest, and the AMA does things that makes us look at our own internal processes." Said Huber: "We will probably never be 100% in agreement on every item on the page. ... That is just the way the world works. ... But there are so many things that we are in agreement on, we should first identify [them] to enhance those areas where we are in agreement." ◆

When meeting a physician socially, "I tell him I work down at the post office."

Richard Huber, CEO of much-criticized Aetna U.S. Healthcare

In Brief

Partners to buy Kaiser's Raleigh-Durham plan

■ PARTNERS NATIONAL HEALTH Plan is purchasing Kaiser Foundation Health Plan's employer-sponsored and Medicare business in the Raleigh-Durham-Chapel Hill, N.C., region.

Terms of the sale, which was announced Aug. 17 and expected to close by the end of the year, were not disclosed. Kaiser also sold operations in nearby Charlotte, N.C., in July.

The for-profit Partners, based in Winston-Salem, N.C., is a subsidiary of Novant Health Inc., an integrated delivery system in Winston-Salem and Charlotte. Partners has about 340,000 members in the southeastern United States. Partners will add 73,000 members when the Kaiser deal closes.

Partners also reached an agreement with the Carolina Permanente Medical Group, which will become an independent medical group, to continue providing service to former Kaiser system patients. ◆