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How Aetna pays claims for out-of-network benefits

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies including Aetna Life Insurance Company and its affiliates (Aetna).

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How Aetna Pays for Out-of-Network Benefits

We negotiate rates with doctors, dentists and other health care providers to help you save money. We refer to these providers as being “in our network.”

Some of our plans pay for services from providers who are not in our network. Many of those plans pay for out-of-network services based on what is called the “reasonable,” “usual and customary” or “prevailing” charge. Here is how we figure out that charge.

Step 1: We review the data

We get information from Ingenix, which is owned by United HealthCare. Health plans send Ingenix copies of claims for services they received from providers. The claims include the date and place of the service, the procedure code, and the provider’s charge. Ingenix combines this information into databases that show how much providers charge for just about any service in any zip code.

Example: Providers’ charges for removing an appendix are grouped into percentiles from low to high. The higher charges are grouped into the higher percentiles. Charges that fall in the middle are grouped in the 50th percentile. Here is a simplified illustration of a percentile chart for an appendectomy for one zip code:

| PERCENTILE | APPENDECTOMY |
|------------|--------------|
| 50th | \$1650 |
| 60th | \$1650 |
| 70th | \$1800 |
| 75th | \$2508 |
| 80th | \$2625 |
| 85th | \$3110 |
| 90th | \$3110 |
| 95th | \$3400 |

Step 2: We calculate the portion we pay

For most of our health plans, we use the 80th percentile to calculate how much to pay for out-of-network services. Payment at the 80th percentile means 80 percent of charges in the database are the same or less for that service in a particular zip code.

If there are not enough charges (less than 9) in the databases for a service in a particular zip code, we may use “derived charge data” instead. “Derived charge data” is based on the charges for comparable procedures, multiplied by a factor that takes into account the relative complexity of the procedure that was performed. We also use derived charge data for our student health plans and Aetna Affordable Health Choices® plans.

Step 3: We refer to your health plan

We pay our portion of the prevailing charge as listed in your health plan. You pay your portion (called “coinsurance”) and any deductible.

Sometimes what we pay is less than what your provider charges. In that case, your provider may require you to pay the difference. This is true even if you have reached your plan’s out-of-pocket maximum.

Example: You use a doctor who is not in Aetna’s network. The doctor charges \$120 for a service. The doctor sends the claim to Aetna. Your plan covers 70 percent of the “reasonable,” “usual and customary” or “prevailing” charge. Let’s say the prevailing charge is \$100. And let’s say you already met your deductible. Aetna would pay \$70. You would pay the other \$30. Your doctor may bill you for the \$20 difference between the prevailing charge (\$100) and the billed charge (\$120). In this case, your doctor could bill you for a total of \$50.

We may consider other factors to determine what to pay if a service is unusual or not performed often in your area.

These factors can include:

- The complexity of the service
- The degree of skill needed
- The provider’s specialty
- The prevailing charge in other areas
- Aetna’s own data

Exceptions

Please note that this general description does not apply to every case. Some plans set the prevailing charge at a different percentile. For some claims (like those from hospitals and outpatient centers) we may use other information and data sources to determine the charge. And not all our plans use Ingenix. (Medicare plans and plans that pay based on fee schedules are examples.)

Our provider claims coding and reimbursement policies may also affect what we pay for a claim. These policies will be shown on your Explanation of Benefits documents.

Background

The New York State Attorney General (NYAG) investigated the conflicts of interest related to the ownership and use of Ingenix data. Under an agreement with the NYAG, UnitedHealth Group agreed to stop using the Ingenix databases when an independent database (not owned by a health insurer) is created.

In a separate agreement with NYAG in January 2009, Aetna agreed to use this new database when it is ready. We also will work with the new database owner to create online tools to give you better information about the cost of your care when using providers outside our network. Most importantly, you can ask your provider what a service will cost and find the prevailing charge for that service.

For More Information

Please see your plan documents to learn more. Or call member services. Their phone number is on the back of your Aetna ID card.