

July 11, 2007

James E. Purcell
President and CEO
Blue Cross and Blue Shield of Rhode Island
444 Westminster Street
Providence RI 02903

Dear Mr. Purcell:

The American College of Physicians (ACP), representing more than 124,000 physicians specializing in internal medicine and medical students, applauds Blue Cross and Blue Shield of Rhode Island (BCBS of RI) for its decision to increase the fees paid to primary care physicians beginning in August of 2007 .

ACP has been concerned for some time about the growing gap in payments for services provided by primary care physicians compared to other specialties. The effect of this widening gap on the choices that young medical graduates are making in career choice is disheartening, as more and more physicians are choosing to avoid primary care careers. As both their student loan burden and the difference in compensation increase, it is easy to see why so many are making these choices.

ACP is pleased to see that BCBS of RI is making this important commitment to primary care physicians. ACP supports this move as a benefit to the patients who are covered by BCBS of RI and believes that it will also be an important selling point for the insurer. ACP is working with the business community, especially large employers, to support primary care because: employees value an on-going relationship with a physician; and evidence shows that primary care physicians bring value to the healthcare system.

ACP recognizes that the marketplace encourages insurers and other actors to restrain spending and the College appreciates the BCBS of RI decision to increase payments to primary care physicians. ACP encourages BCBS of RI to continue to evaluate its fee schedule and administrative policies to ensure that its insured population has access to high-quality and dedicated primary care physicians who can best manage their care.

ACP looks forward to further dialogue with BCBS of RI to discuss issues of common interest. If you wish to discuss this issue further, please contact Brian Whitman, Senior Analyst for Regulatory and Insurer Affairs, at (202) 261-4544 or bwhitman@acponline.org

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph W. Stutts". The signature is written in a cursive, flowing style.

Joseph W. Stubbs, MD, FACP
Chairman, Medical Service Committee

July 11, 2007

Stephen J. Farrell
Chief Executive Officer
United Healthcare of New England
475 Kilvert St
Warwick RI 02886

Dear Mr. Farrell:

The American College of Physicians (ACP), representing more than 124,000 physicians specializing in internal medicine and medical students, applauds United Healthcare of New England for its decision to increase its payments for evaluation and management (E/M) services beginning in September of 2007.

ACP is pleased to see that United Healthcare of New England is making such an important commitment to physicians who practice at the forefront of access to the healthcare system. E/M services require a great deal of thought from the physician, requiring that the physician carefully consider all of the diagnoses and treatment options for a patient and how to integrate these options into an overall plan of care. Paying appropriately for these services insures that physicians can take the appropriate time in order to fully understand the history of the patient and contribute to this plan of care, resulting in improved health outcomes for patients.

ACP recognizes that insurers are in a marketplace that encourages insurers to restrain spending and truly appreciates this further commitment to primary care and other office-based physicians. ACP encourages United to continue to evaluate its fee schedule and administrative policies to ensure that its insured population has access to high-quality and dedicated primary care physicians that can best manage their care. Specifically, ACP encourages using the 2007 Resource-Based Relative Value Scale (RBRVS) to calculate payment rates. The 2007 RBRVS, which was released by the Centers for Medicare and Medicaid Services in November of 2006, includes a substantial increase in the work relative values assigned to many E/M services. This substantial increase recognizes that the physician work involved with these E/M services has risen dramatically in recent years because of changing patient and practice characteristics. ACP is pleased that that United has taken an important forward in increasing your health plan payments for E/M services but encourages you to go even further by recalibrating your E/M payment schedule so that they are fully comparable to the levels that would be in place if the Medicare RBRVS were applied to United's fee schedules.

ACP looks forward to further dialogue with United Healthcare of New England to discuss these issues of common interest. If you care to discuss this issue further, please contact Brian Whitman, Senior Analyst for Regulatory and Insurer Affairs at (202) 261-4544 or bwhitman@acponline.org

Sincerely,

A handwritten signature in blue ink that reads "Joseph W. Stubbs". The signature is written in a cursive style with a large initial 'J' and a distinct 'W'.

Joseph W. Stubbs, MD, FACP
Chairman, Medical Service Committee