

Love v. BCBSA Settlement
Filed April 27, 2007

WELLMARK PHYSICIAN ADVISORY COMMITTEE

October 2009

Section 7 of the class action Settlement between physicians and most of the nation's Blues plans, *Love v. BCBSA et. al.*, requires each settling Blues plan to establish a physician advisory committee (PAC). Wellmark asked for and received exception language to allow it to build upon the advisory committee structure it already had in place and to coordinate with the Iowa Medical Society (IMS) on a PAC composition and structure acceptable to both IMS and Wellmark. IMS and Wellmark worked for several months on PAC composition and other terms. At the same time, Wellmark remains bound by the core provisions of Section 7 of the Settlement relating to the scope of and processes for the PAC.

Below is a summary of the final Section 7 terms as they apply to Wellmark in Iowa. The PAC is staffed by Mike Fay, Wellmark's Vice President of Health Networks. Jeanine Freeman, JD, IMS' Senior Vice President of Legal Affairs, is IMS' staff liaison to the PAC.

1. **Selection of members.** There are 12 physician members of the PAC, one of whom will be Wellmark's chief medical officer or designee who also serves as chair. Terry Flander, DO, Medical Director of Provider/Network Relations, is Wellmark's designee.
2. **Membership qualifications.** Each physician PAC member is to be both Wellmark participating and an IMS member with possibility for exception. Currently all PAC members are both Wellmark participating and IMS members. PAC members are to represent a range of geographies in Iowa, practice organizations and sizes, and specialties.
3. **Meeting frequency.** The PAC is required to meet at least once every 6 months. The first PAC meeting was held on June 16, 2009, and the second is slated for early December 2009.
4. **Role of PAC members.** The Settlement provides that PAC physician members shall represent the interests of participating and non-participating physicians. Further, PAC members are to be committed to "functioning as a constructive and collaborative body."
5. **Scope of the PAC.** In general, the PAC is to discuss issues arising from or related to the relationships and interactions between and among physicians, their patients, and Wellmark. Particular issues include 1) health care quality improvement; 2) communications and relationships between physicians and Wellmark; and 3) clinical and administrative matters impacting those relationships.
6. **Physician communications to the PAC.** All communications from participating and non-participating physicians to the PAC shall be accomplished through PAC members.
7. **Setting the agenda for PAC meetings.** Any motion for the PAC to consider an issue must be proposed by the chair or any member of the PAC. The issue is to be heard only if a quorum is present and a majority of PAC members vote in favor of hearing the issue.
8. **Quorum.** A majority of voting PAC members constitutes a quorum.

9. **Recommendations.** The PAC can make recommendations to Wellmark upon majority vote. Recommendations must be on issues that fall within the purview/scope of the PAC.
10. **Wellmark's response to PAC recommendations.** Wellmark shall consider whether implementation of any PAC recommendation is 1) reasonable considering the opportunities and constraints of the current health care financing/administrative marketplace; 2) consistent with the best interests of Wellmark's physician members, customers, shareholders, and other constituents; and 3) in furtherance of scientifically and clinically sound medical care. If Wellmark decides not to accept a PAC recommendation, Wellmark shall communicate that decision in writing to the PAC with an explanation.
11. **Web site.** The names of PAC members, their contact information, and PAC meeting dates shall be posted by Wellmark on its Web site. Wellmark also must post PAC recommendations and Wellmark's responses to those recommendations. The PAC Web page went live in late September at <http://www.wellmark.com/Provider/CommunicationAndResources/PACs.aspx>.
12. **Proprietary information - confidentiality.** PAC members shall agree to maintain and treat as confidential proprietary information reasonably designated as such by Wellmark.
13. **Conflicts.** No member of the PAC shall serve as a member of any advisory or similar committee established by any other managed care company or health insurer, but this provision is not meant to exclude physicians who serve on credentialing or similar committees for other companies.
14. **PAC committee expenses.** Wellmark is to implement reasonable payment provisions for the expenses of PAC members, including a reasonable per diem, consistent with its typical payment provisions for physicians serving on Wellmark committees of this type.
15. **Settlement life.** The PAC must remain in existence for the 4-year life of the settlement (due to expire May 31, 2011).

Iowa Medical Society, October 2009