

June 12, 2007

Mark Banks, M.D.
Chief Executive Officer
Blue Cross and Blue Shield of Minnesota
3535 Blue Cross Road – Route P3-3
Eagan, MN 55122

Re: Co-payments

Dear Dr. Banks,

I am writing on behalf of the American Academy of Family Physicians (AAFP), which represents nearly 94,000 physicians and medical students nationwide, to ask that you only use co-payment incentives that encourage patients to use their medical home for non-emergent care.

AAFP supports the application of differential co-payments by practice setting only to incentivize patients to select or maintain a personal medical home as defined by the AAFP (see attached). Some health plans have designed benefit plans to provide financial incentives for their members to seek care from a retail health/convenient clinic instead of from their personal medical home. Such incentives are contrary to the value of the physician-patient relationship and the continuity of care offered by family physicians to their patients.

The emergence of the retail health/convenient clinics across the nation is indicative of the changing environment of health care delivery. We feel they have the potential to further fracture the system by interfering with the continuity of care for patients. This is why the AAFP has proactively engaged the large retail health clinic entities and developed a list of desired attributes to which the three leading companies -- RediClinic, MinuteClinic and Take Care Health Systems -- have agreed. A copy of those desired attributes is enclosed, for your information.

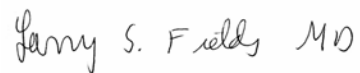
To be certain of where your organization stands on the matter of health plan benefit designs for retail health clinic visits, we would like a written response from you regarding how your organization is handling co-payments for them.

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Thank you for your time and attention to this request in furthering your support for the value of family medicine. Please contact Laura, at (800) 274-2237, ext. 4134 to arrange any follow-up conversations with the Academy on this important issue.

We look forward to continuing our productive and open working relationship.

Respectfully,

Handwritten signature of Larry S. Fields MD in cursive.

Larry S. Fields, M.D., FAAFP
Board Chair

Cc: Minnesota Academy of Family Physicians

Enclosure Medical Home policy
Desired Attributes of Retail Health Clinics
Co-Payments policy

Personal Medical Home

The American Academy of Family Physicians believes that everyone should have a personal medical home that serves as the focal point through which all individuals—regardless of age, sex, race, or socioeconomic status—receive acute, chronic, and preventive medical services. Through an on-going relationship with a family physician in their medical home, patients can be assured of care that is not only accessible but also accountable, comprehensive, integrated, patient-centered, safe, scientifically valid, and satisfying to both patients and their physicians. (2006)

Co-Payments

Defined

A co-payment is a fixed fee an insured person is expected to pay each time a particular covered medical service is received and can differ by the place of service.

Practice Setting

The Academy supports the application of differential co-payments by practice setting only to incentivize patients to select/maintain a personal medical home as defined by the AAFP. (See AAFP policy defining "Personal Medical Home")

Multiple Co-Payments

Multiple co-payments may be assessed for separately identified and delivered services. However, patients should not be required to pay more than a single co-payment for a preventive and an acute service provided during a single office visit.

Waivers

When a co-payment is a barrier to medically necessary care, physicians may on a case-by-case basis forgive or waive the co-payment. Reasons for such may include financial hardship. Physicians should ensure that forgiving or waiving co-payments is consistent with the terms of their agreements with insurers and any applicable law.

Desired Attributes of Retail Health Clinics

The AAFP has identified the following attributes that are important to the patient care offered by retail health clinics. It is the individual physician's choice whether or not to work cooperatively with a retail clinic operation, using the following attributes as a guide in decision-making.

1. Scope of Service -- Retail clinics must have a well-defined and limited scope of clinical services.
2. Evidence-based Medicine -- Clinical services and treatment must be evidence based and quality improvement-oriented.
3. Team-based Approach -- The clinic should have a formal connection with physician practices in the local community, preferably with family physicians, to provide continuity of care. Other health professionals, such as nurse practitioners, should only operate in accordance with state and local regulations, as part of a "team-based" approach to health care and under responsible supervision of a practicing, licensed physician.
4. Referrals -- The clinic must have a referral system to physician practices or to other entities appropriate to the patient's symptoms beyond the clinic's scope of work. The clinic should encourage all patients to have a "medical home."
5. Electronic Health Records -- The clinic should include an EHR system sufficient to gather and communicate the patient's information with the family physician's office, preferably one that is compatible with the Continuity of Care Record supported by AAFP and others.

(June Executive Committee 2006)