

April 5, 2005

William W. McGuire, M.D.  
Chairman and Chief Executive Officer  
UnitedHealth Group  
UnitedHealth Group Center  
9900 Bren Road East  
Minnetonka, MN 55343

RE: UnitedHealth Performance<sup>SM</sup> Program

Dear Dr. McGuire:

The American Academy of Family Physicians (AAFP) understands the challenges health insurance plans face with spiraling health care costs that lead to added pressure from your customers, the employers, to reduce premiums and medical expenses. The UnitedHealth Performance<sup>SM</sup> Program is an experimental method to meet this challenge by creating a tiered network for self-funded employers.

The AAFP represents 94,000 family physicians and wants to help its members improve quality and provide the most cost-effective medical care. The AAFP is a strong advocate for the development and use of nationally agreed upon quality performance measures to drive improvement. However, the UnitedHealth Performance<sup>SM</sup> Program falls short of being a viable performance measurement program.

We have serious concerns about the statistical validity of the program's quality assessment element given the purpose to which the results are being applied, public profiling of physicians. The efficiency measure is both difficult to understand and arbitrary in its application. The program appears to be less about providing legitimate information to inform patient decision-making and more about directing patients to low cost physicians using questionable information and methodology. These concerns would have been raised earlier had United sought practicing physician input to the program's development and implementation.

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Our major concern is that the program is misleading and confusing for patients. The program is designed to assist patients in making health care purchasing decisions at the point of care. Patients whose physicians have not achieved the designated status, for whatever reason, are expected to pay more for receiving their health care needs from their usual source of care, their medical home. Your enrollees, our patients in this matter, are not being well served as their usual source of care may be falsely presented as providing inferior care.

In conclusion, the AAFP fully supports efforts to improve the quality and cost-effectiveness of medical care. We would appreciate your openness to working with the physician community to pursue these goals. We ask that you suspend implementation of the UnitedHealth Performance program until such time that the program's serious flaws can be addressed. Finally, we would welcome the opportunity to meet with you to discuss our concerns about the program, to understand your needs and to discuss what we can do separately and together to improve health care quality and cost-effectiveness. We believe that there is a more effective way to recognize high-quality, cost-effective health care.

Sincerely,

A handwritten signature in black ink that reads "Michael Fleming". The signature is written in a cursive, flowing style.

Michael Fleming, M.D., Chair

Cc: Reed Tuckson, M.D., UHC Chief Medical Officer  
Doug Henley, M.D., AAFP Executive V.P.